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DISADVANTAGED YOUTH UNEMPLOYMENT

HEARING

BEFORE THE

SUBCOMMITTEE ON LABOR

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

REVIEWING DISADVANTAGED YOUTH UNEMPLOYMENT

FEBRUARY 17, 1987

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DISADVANTAGED YOUTH UNEMPLOYMENT

TUESDAY, FEBRUARY 17, 1987

U.S. SENATE,
SUBCOMMITTEE ON LABOR,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee convened, pursuant to notice, at 10:10 a.m., in room SD-430, Dirksen Senate Office Building, Senator Howard M. Metzenbaum (chairman of the subcommittee), presiding.

Present: Senators Metzenbaum and Quayle.

OPENING STATEMENT OF SENATOR METZENBAUM

Senator METZENBAUM. Good morning. We are here today to discuss a problem that I frankly believe is a national crisis.

We talk about a lot of the challenges that are facing this country, but to this Senator there is no more challenging issue than the fact that 40 percent of minority kids are walking the streets of America, looking for jobs.

A staggering percentage of disadvantaged young people are no longer connected to the mainstream of society. They lack jobs. They lack training. They lack education. They lack opportunity. But worst of all, an increasing number lack hope that they will ever become productive members of our society.

The statistics paint a bleak picture. By 1984, nearly one-half of the black men ages 16 to 24 had no work experience at all. The Department of Education has classified 44 percent of black youth and 56 percent of Hispanic youth as functionally illiterate.

A recent survey of 2,000 inner-city minority youth indicates the problems are even more acute in our urban centers. The unemployment rate for these inner-city youngsters is over 40 percent.

Joblessness leads to other problems. Sixteen percent of these young people admitted to committing crimes. Twenty-six percent reported drug use beyond marijuana. Twenty percent reported regular alcohol use.

We have some of those young people with us here today, and they will tell their own stories, and it will confirm the representations that I make to you at this moment.

But the statistics cannot capture the anguish of a young person whose dreams for a decent life are shattered by everyday existence. These cold numbers just cannot measure the pain and frustration of a 19 year-old from Chicago who yearns to be an artist but who was abandoned by his teenage parents, shuttled through a series of foster homes where he was molested, then left to fend for himself on the streets of New York City, only to become a heroin addict and petty criminal.

Think of waking up every day, every single day, of your life with nothing to look forward to, of merely existing another day and going to sleep oftentimes hungry. Put yourself in that position and then realize that is the agony of living for hundreds of thousands of poor young Americans.

While Wall Street tycoons buy and sell companies merely to add millions to their already swollen coffers, these young men and women struggle for daily survival. They will tell you their stories themselves this morning.

We cannot stand by while this generation of young people, most of them living in urban centers, becomes a permanent underclass. The very possibility that such an underclass could exist is a disgrace, a disgrace to the United States, the wealthiest nation the world has ever known.

I must confess I have grown increasingly frustrated about attempts to solve this problem. Whenever I return to Ohio, I invariably run into poor youngsters who ask me to help them get jobs—"Are you going to help me get a job, man?"—and I cannot give them the right answer.

These kids want to work to make something of themselves. As a United States Senator, I do not know the answer, but I am determined that we will find an answer.

Our Government has set up many fine programs to help prevent crime and drug or alcohol abuse, by asking the public to "Just say no." For once, I would like a program that would "Just say yes" to a poor youngster when he or she asks for a chance to get a job. That is what today's hearing is all about. It is the first step in my personal commitment to develop legislation to help these young people.

I am aware there have been many efforts to attack this problem. Over the years, CETA, the Youth Incentive Entitlement Projects, and now JTPA, have focused with varying degrees of success. But despite these efforts, the problem has gotten much worse.

Thirty years ago, the unemployment rates for black and white youth were very similar. Since then, the white youth unemployment rate has risen slightly, while the black youth unemployment rate has more than tripled.

We must combat this problem now. In today's high-tech, complex economy, these youngsters are falling farther and farther behind. Without jobs and the self-esteem that goes with working, these young men and women will become victims of the street. Many of them already are. That will lead to lives of crime, drug and alcohol abuse, and permanent dependency on society for existence.

Today we will hear from a broad spectrum of people—national black and Hispanic leaders, corporate executives and service providers. But most important—most important—we will hear from the disadvantaged young people themselves who want to work hard and just need a chance and some training.

I say "most important" without in any way attempting to denigrate the significance of the leaders who have come forward to speak, and we are very, very grateful to them.

But the fact is, we are very pleased that these young people are here to tell their own stories. I think it is important that we listen carefully because the challenge is upon us. We must do better, we must have better ideas, and we must begin now.

I am eager to work with all those who are here today and anyone else who is interested in this critical issue, to craft an effective initiative to help these young people.

There is probably no person in the country who has done more in relating to the young people of this country, the young blacks of this country, than has the Reverend Jesse Jackson. His schedule is a busy one, and I am particularly pleased that the Reverend, an old friend of mine, was able to be with us here today. He will be our first witness.

We are delighted to have you with us, Reverend Jackson.

STATEMENT OF REV. JESSE JACKSON, PRESIDENT, NATIONAL RAINBOW COALITION, WASHINGTON, DC; STEVE FEARS, CLEVELAND, OH; DWAYNE HARRIS, CINCINNATI, OH; SHAWN LEYBA, CLEVELAND, OH; ARNETTA BATTLE, CLEVELAND, OH, AND VANCE ISON, CINCINNATI, OH

Reverend JACKSON. Thank you, Senator Metzenbaum.

You are to be commended for holding these hearings today for several reasons. First, because the need to expose what is happening to our youth is so urgent and vital to our nation. Second, that you are focusing on the problems of disadvantaged youth during Black History Month is most appropriate and timely. That is true not because it focuses attention on the problems of black youth alone, but because to truly and fully understand the problems of black youth is to better understand the problems of all of America's youth.

Indeed, I want my remarks today to be seen and understood basically in the context not only of black youth, but of Hispanic youth, rural youth and poor youth of whatever race of nationality. For the fullest understanding of the meaning of Black History Month—it is not for blacks only—is to further the understanding of all Americans about America and her history.

Let me also thank you personally, Senator Metzenbaum, for inviting me to testify this morning. It is indeed a pleasure, and I hope some observations may be helpful in addressing the problems of disadvantaged youth. I want to assure you that if there is anything further that I can do to help in this regard in the future, beyond this testimony, please feel free to call upon me.

I feel a measure of comfort sitting with these youth as I appeal to them and challenge them, reach out to them and love them, for I am one of them. I was born to a teen mother. I am adopted. "Jackson" is my third name. I grew up in South Carolina under the laws of apartheid, the options reduced by the law.

I think you are aware, Senator Metzenbaum, although others may not be—and I do not think it would be an immodest thing for me to say—that I do not know of another person in public life in this country that has spoken directly and face-to-face with as many young people in America over the last decade as I have.

I speak in at least three high school assemblies per week to a minimum of 5,000 students a week. I have been to small white rural schools in Illinois, Iowa and Nebraska, suburban integrated schools in Maryland, Boston and Virginia, and all-black and Hispanic inner-city schools in New York, Chicago and Los Angeles. And I talk with them about their joys, their pains, their insecurities and their fears.

I understand that the focus of this hearing is on the hardest of the hard-core—the poor, the young, the dropouts, the unskilled, those who have never had a job and have little hope of ever finding a meaningful job, and those who are lacking in self-confidence and self-esteem.

It is a difficult task, made even more difficult the longer we delay in dealing with it. I understand that the problem is even more acute for minorities, especially minority males, who live in a society where they are expected to produce, provide and protect, and they have few skills and are stymied from doing all three. Many are living in the inner-city where they can become victims and victimizers on the street through crime, drugs, alcohol and violence. But as difficult as the problem is, it is not impossible to address it in a meaningful way.

The first thing we must recognize if we are to deal effectively with the problem is that these children at this table, these are our children. They are not from outer space. They are not from another country or culture. They are not going away or anywhere. They are ours, and they are here to stay. To deal with them in a meaningful and productive way will cost—but not to deal with them will cost even more, morally and economically.

The second thing that we must be clear on in dealing with our youth is that they need to know that we care—even more than they need the job, they need our care. If they know that we care, then they know we will take steps to provide them with a meaningful job opportunity. What they cannot understand and will not accept is being without a job and with no expression of caring; of no effort to educate them; to train them for useful work; to be left idle endlessly, programmed for drugs, crime, jail or an early grave.

Such indifference is worse than hate, for at least in hate, you know someone cares. To be indifferent to our youth is worse than leaving them in poverty, because it cuts to the very heart of violating their personhood, their essence and their self-respect.

The riots of the sixties occurred not because of poverty, but because a people's self-respect could not take the humiliation any longer, and they exploded. To be an Invisible Man, to say Nobody Knows My Name is worse than poverty or joblessness. We must care and find expressions of caring that communicate and demonstrate to our youth that we do care.

A third point—and I think you have it just right, Senator Metzenbaum—is that those with the most severe problems, handicaps and obstacles to overcome must be a priority concern. Our religious literature and history teaches us that to whom much is given, much is required; that the strong are to help the infirmities of the weak; that the good shepherd left the 90 and 9 in search of the one lost sheep; and that the greatness of a nation is tested by how they treat the least of these—the youth in the dawn of life, the poor in the pit of life, and the old in the sunset of life.

So we cannot settle for being a strong nation, a powerful nation; we must also be a good nation, a good people, a good society. A part of that goodness is measured by whether we give our youth, all of them, adequate tools, the training, the self-esteem, and all the rest, to have and hold productive and meaningful jobs; making livable wages; and who are able to produce, provide and protect themselves and their families.

When I speak in the schools, at the end of my presentation I often ask the young people: "How many of you want to be doctors? How many want to be lawyers? How many want to be nurses? How many teachers? How many carpenters? How many plumbers?" Students, to the surprise of many teachers and administrators, always respond in great numbers.

I do it to prove to teachers, administrators, the media and the broader community, that our children do not lack ambition, dreams, hopes and goals. Our children want to be somebody, and we can help them if we care and take them seriously as if they are our own—and they are.

Some believe that many in this generation of young people must be written off, that there is little hope that they will ever achieve anything. I do not share that point of view.

When I see black colleges and universities teach the so-called unteachable and reach the so-called unreachable, and have the patience to develop the late bloomers; when I see young people whom our general society has often given up on join our armed forces and within months have dignity and a sense of self-respect and accomplishment, able to build bridges and roads, taking rifles apart and putting them back together again, repairing tanks and planes, and doing all the other things necessary to be prepared to protect our country, then I know that all hope is not lost.

Many things need to be done to help these young people—outreach efforts, with a special emphasis on using indigenous people and groups, basic skills and literacy training; vocational training; job skills training—all of which will contribute to building up their self-esteem and confidence.

But I also believe that one of the best ways of training and employing our youth is to allow them to earn and learn their way out of poverty with dignity. The best way I know of doing this is to train them, and then allow them to rebuild their own communities. They could be trained to be brick masons, glass glazers, carpenters, painters and caretakers of lawns. If they were trained, put to work rebuilding their own communities, they would then have a stake in protecting that which they have built.

But even extensive training efforts will be for naught if there is no job for these young people at the end of the line. I often say a text out of context is a pretext.

President Reagan said in his State of the Union Address that his Administration has provided 13 million new jobs. The truth is, he promised 13 million new jobs by 1986, but he has produced only 10.3 million new jobs in 6 years, compared to 10.6 million by Mr. Carter in 4 years.

Unemployment in the last six years of the Reagan Administration has averaged 8.1 percent—compared to 6.5 percent under President Carter and 5.3 percent in the post-war years.

The President is correct when he says that there are more Americans working than ever before in our history. But it is equally true that there are more Americans, especially young Americans, who are unemployed today than ever before in our history.

We have lost 500,000 well-paying manufacturing jobs, one million $28,000-a-year-plus jobs, and 2 million jobs because of the $170 billion trade imbalance. And of those jobs he has created, according to a Joint Economic Committee report, over 50 percent of them pay $7,000 or less per year. So it is growth without opportunity. That does not represent the kind of future for our youth that they deserve.

The point is, we cannot inspire, motivate, educate and train our youth for meaningful jobs and then have no socially useful work and no upward mobility at the end of their rainbow. It is much easier to turn grapes into raisins than it is to turn raisins back into grapes.

All of us must assume some responsibility for educating and training our children for the world of work. The individual has a responsibility, the private sector has a responsibility, organized labor has a responsibility, and the government has a responsibility. There must be a blend and match among business, labor and government.

My concern is not so much whether government is big or small; that is not the appropriate question. The question is whether or not it is adequate, efficient and effective.

No one asks a doctor in an emergency ward to perform an operation within a certain time frame. They want the doctor to do whatever is necessary for however long it takes to save the patient's life. We should have the same attitude toward our youth when it comes to preparing them for the world of work and providing them with an adequate opportunity to find a job, to do whatever is necessary for as long as it takes. These are our children.

The private sector must be involved because five of every six jobs are in the private sector. Labor must be involved because they can help to provide job training and open up their craft unions to minority youth, which so often they are locked out of. The Government must be involved because only the government can coordinate and fund a national program to adequately deal with what is obviously a national crisis.

Senator Metzenbaum, you and your staff know the demographics better than I do relative to the projected shortage of young workers for entry-level jobs in the future; how they indicate that poor minority youth will be an increasing percentage of the shrinking youth population; and that both the military and private industry will be in competition for these young people in the near future.

Both of us know that we cannot compete in the new realities of the world economy if we leave our youth, especially our minority youth, untrained, unskilled and unemployed. Corporations, labor unions and the government must assume their rightful share of responsibility of achieving justice and having compassion—not just making profits at all costs. That is not the American way.

Why should government get involved? The answer is as simple as that, "We are a government of, for, and by the people. It is the only reason for which government exists in the first place.

The Government must get involved because there is a need to target assistance to particular groups. Despite many previous efforts, the problem is getting worse, not better. I often remind people that in spite of the New Deal, the New Frontier and the Great Society, my grandmother still can neither read nor write. Whatever you have done in the past, however well-intentioned, my grandmother was not reached by the system. Many of our so-called hard-core youth find themselves in that position today—not being reached. The outreach of government does not extend to them.

The current Job Training Partnership Act is not reaching these young people. There are complaints that the JTPA program "skims the cream of the crop" of the disadvantaged population—a concept known as "creaming" so as to meet performance standards. The priority of the JTPA seems not to be the poor, minority males with little or no education who are difficult to place.

Even the recently proposed Jobs for Employable Dependent Individuals Act introduced by Senator Kennedy and supported by you, Senator Metzenbaum, provides incentives for State programs to find jobs for AFDC recipients. But many poor, young males are not eligible for AFDC, so they will not be targeted.

The Government must be involved because there is an obvious gap—that is getting bigger, not smaller—and the government can and should target this hard-core group for training and employment.

Lastly, as I said earlier, helping will cost; but not helping will cost more. If we fail to train and employ the hard-core unemployed, their lack of productivity costs society in terms of lost tax revenues, welfare and unemployment expenses, and crime prevention funds. It costs less to educate than to rehabilitate; it costs less to employ than to incarcerate. A 4-year full academic scholarship to any State university in America will cost less than $25,000. A 4-year penitentiary scholarship in any State or Federal prison will cost between $80,000 and $140,000. Schools at their worst are better than jails at their best.

Unless we solve the problem now, yet another generation of young people will grow up without stable father figures in the home, and this whole cycle may be perpetuated. If we do not educate and employ the hard-core unemployed now, they will lag even further behind their peers in earning capacity and may indeed be lost for the rest of their lives.

As the economy becomes more complex and more competitive, more skills and flexibility are needed to get jobs. To stand still and do nothing is in fact to allow these young people to fall even further behind.

Therefore we must be committed to accepting the challenge of making a cost-effective investment in our young people. The President's attempt to eliminate such social programs by running up these terrible deficits—so as to make expenditures such as these almost impossible—must not deter us. Not to spend the money is shortsighted, because a reasonable investment today could save billions in the future, as well as the soul of America.

In conclusion let me say that the problem of the hard-core unemployed is not an insoluble problem. The problem is definable. The target group is finite. If there is a national commitment to target assistance to this group, there is an opportunity to make a real, positive difference in the lives of young people—and America would be better off for having done so.

Again let me thank you, Senator, for holding these hearings and for inviting me to testify. If you have any questions, I will be happy to entertain them at this time.

Thank you so very much.

[A short history of the accompanying panel members follows:]

Disadvantaged Young People Testifying Before the Senate Labor Subcommittee on February 17, 1987

Arnetta Battle is 18 years old and lives in Cleveland. Arnetta, who is not married, has a 4 month-old son and lives with her disabled mother and her father, who is retired. She has a high school degree, but no work experience and she is looking for a clerical job to support her son. Currently living on welfare and some financial help from her parents, Arnetta would like to go to college to become a computer systems analyst.

Steve Fears is 19 years old and lives in Cleveland. Steve, like many of his friends, dropped out of school in the 9th grade. Steve left home at 16 and spent some time on the streets selling drugs. He is currently unemployed, receives general assistance, and does odd jobs to make money. Steve would like to become a landscaper.

Dwayne Harris is 16 years old and lives in Cincinnati. Dwayne cites peer pressure as the reason he dropped out of school in 1985. Among his friends who dropped out, two are now in jail. Dwayne was raised by his father, but currently lives with his mother. He has just completed a 3-month maintenance training course and is looking for work.

Vance Ison is 16 years old and lives in Cincinnati. Vance dropped out of the 7th grade 18 months ago. He has been shuttled between his father, mother and other relatives, but now lives with his mother and stepfather. Vance just entered a high school equivalency program and would like to work while he learns. He dreams of going to college and becoming a doctor.

Shawn Leyba is 19 years old and lives in Cleveland. When he got in trouble for stealing, Shawn dropped out of school in the 11th grade. Shawn has not lived with his parents since he was 5 years old. He now lives with his girlfriend and their 2 year-old daughter. They live on general assistance, food stamps and the odd jobs Shawn takes. He is currently enrolled in a GED program and is interested in a technical career involving electronics.

Senator **Metzenbaum**. Thank you, Reverend Jackson.

Reverend Jackson, if it is not an imposition on your time, I would like to ask you questions after we have heard from the young people. Would that be all right with you?

Reverend **Jackson**. Fine.

Senator **Metzenbaum**. Senator Quayle, who is ranking minority member of this committee and its former chairman, has a statement which he would like to make at this time.

We are happy to have you with us, Senator Quayle.

Senator **Quayle**. Well, thank you very much, Mr. Chairman.

First of all, let me just congratulate you on your position, and I certainly look forward to working with you. I think it shows to Reverend Jackson and also to the people who are accompanying Reverend Jackson the commitment and the interest that we really have in the disadvantaged youth unemployment problem that is facing this nation. I do not think anybody will deny that this is a problem, and I certainly congratulate Senator Metzenbaum for having the first Labor Subcommittee hearing to try to get at the problem and the root cause.

I also tend to agree with you as you discuss in your testimony, that you have got to look at the individual, you have got to look at the Government, you have got to look at business, you have got to look at labor—you have got to look at all these entities working together. And all these entities can certainly make a contribution. We certainly all have limitations. You pointed out the deficit from the government point of view. But that does not necessarily mean that we cannot dig in and try to be more creative and do a better job, particularly with these people who are falling through the cracks.

As an author of the JTPA, I am aware of the fact that there has been some criticism of the so-called "creaming." I accept that criticism and think that we have to look at the facts. The only thing I can say as far as the JTPA is concerned is that we are in fact training and giving employment opportunities to millions of people across the country, and they do come from an economically disadvantaged background. Perhaps we can do more. Perhaps we can be more creative. I certainly do not want to stop at that, trying to figure out how to do a better job. But we are in fact training and giving these opportunities to people who have an economic disadvantage.

So I look forward, Mr. Chairman, to working with you and others to get into this issue and find some solutions to the problem. I think you are starting off on the right foot in having this hearing to look at the disadvantaged youth problem, which is probably the most sensitive problem that this nation has before us today.

Senator **Metzenbaum**. I do not think there is any question that you made a valiant effort and really did make a major start on the JTPA program. Now I hope we can go out and take care of this group of people who really, to me, is a growing cancer in our society. I am looking forward to working with you because I know how cooperative you have been in the past, and it will be a privilege to do so.

Steve Fears is 19 years old and is from Cleveland.

I want to say to each of these witnesses that I know it is challenging and somewhat different from your normal lifestyle to come before a Senate Committee and tell about your own life and your hopes and your frustrations. I had a chance to say hello to each of you before the hearing. I am happy that you are here, and I will just let you tell your story in your own way, Steve, and each of you will do the same.

Mr. **Fears**. My name is Steve Fears. I am 19. I am from Cleveland, Ohio.

I dropped out of the ninth grade. I left home at age 16. The reason why I left home was because my mother was on drugs, and she used to come home and beat us all the time, and I could not take it anymore.

I went to look for work and could not find a job, so I made my own work; I started selling drugs in the streets. I sold drugs for two years to make enough money for me and my brother to get together. He started to steal cars when he was 15. So we got a place together, paid the bills and things, but it did not work out as we had planned, because we started to get hassles from people.

So my brother got locked up, and I went back home for a year. I still went to look for a job, and they still would not give me one because I did not have a high school diploma or GED—or a car. Nowadays, in Cleveland, if you do not have a car, you cannot get anything at all.

But like I was saying, I dropped out of ninth grade. Why? The true reason why was because school was not fit anymore. I went to school up to eighth grade until I got locked up. But I did not want to go. I was locked up for six months, three weeks and two days. And when I got out, school was the same—riots, racial, everything—there was nothing different. I never missed anything.

So I left school again and went back to the streets, back to drugs, getting high, because there was nothing else for me. My mother still did the same; she got locked up. She stayed in jail—that was her second home from home.

So we took care of ourselves—me, my two sisters and my brother—by doing what we did best—hustling. And what we called "hustling" was to sell drugs and go out and steal something, because we did not know anything else. My mother was not there to teach us. My father had left when we were younger.

When I finally did get a job, it was off of welfare, general relief. They paid me $15 a month for an 8-hour job every other day. Now, you tell me what can you get from that?

Senator **Metzenbaum**. Fifteen dollars a month?

Mr. **Fears**. Fifteen dollars a month. First, I got on general relief, and they were giving me $134. Then they took it down to $108. Then they gave me a job. I worked every other day for $15 a month. I was supposed to pay my bills with $15 a month, buy food. That was not working out, so I went back to selling drugs. I sold drugs about three years altogether, up to now. I finally realized it was getting me nowhere. I wanted to travel, and I figured if I keep selling drugs, the farthest place I was going to travel was to the penitentiary or to my grave.

So I am here now today, telling you what I have been through and what it is to survive without a job. There are a lot of people out here, fortunate that they have got a job, and they just let it go to waste, let it get to their head, you know, "Hey, I got a job, I can do this, I can do that." Well, hell, I have not had a job in I do not know how long—since I was 16, put it like that. And it is getting rougher and rougher.

Senator **Metzenbaum**. Have you applied for any jobs, Steve?

Mr. **Fears**. I have been applying for jobs since I was 14 years old.

Senator **Metzenbaum**. What do they tell you?

Mr. **Fears**. "No. No. You are too young. You have not got enough experience."

I have got enough experience, you just do not know. They do not give a person a chance to do anything. They are scared you might just get in there, come one day, come just a week, for the first pay, and they are scared you are going to quit.

You can get a McDonald's or Burger King job any day of the week, but it is not enough to take care of you.

I stay with four young ladies, and they are the ones who take care of me until I find a job. And I get up every morning and look for a job. And they still tell me no because I have not got a GED, a high school diploma, or a car. You see, they always put the car in there—so I can travel around for them.

But like I was saying, I have got friends, 27, 32 years old, who cannot read, cannot write, are not working, but they have a bunch of experience. I have seen the men fix refrigerators and stoves and cars—cannot read a lick, now—these people do things I never imagined doing. And I sit back and listen to them, and they say, "Man, you should do this and do that."

I say, "You cannot tell me anything, because I have been there myself." Because they are older than I am, they figure they can tell me something. They cannot tell me anything I do not already know. I have been locked up. I have been stabbed in the side, I have been stabbed in the leg. You cannot tell me anything.

Senator **Metzenbaum**. If you could get a job tomorrow morning, paying whatever, would you like to go to work?

Mr. **Fears**. Yes, I would if it would pay more than $15 a month. I would break my back to work, that is the truth. I love to work. I worked once in my lifetime, just about, and that was with Ms. Shirley Hawks. She trusted me enough to take care of her mother while she went to work. Her mother was handicapped, and she could not get out of bed alone. So she asked me to watch her mother while she went to work, put her on the potty, change her bed and stuff. I did that for about two months, until her mother got better. Now her mother can walk and get up and do everything by herself. And I am proud of that, because that is one job I am glad I lost for some good.

Senator **Metzenbaum**. Thanks, Steve.

Dwayne Harris, why don't you tell us your story?

Mr. **Harris**. My name is Dwayne Harris. I am 16 years old, and my story is that I grew up in a family where I had a father like one of the old-time fathers. He believed that if you do not go to jail at least twice, three or four times in your life, that you are not a man. He always had this theory, because his father was indicted. His father killed at least three people. And he thought this was something to be proud of. He bragged about it a lot. He always had this theory that when his sons got 16, they had to fight him to prove themselves to be men.

He had a sixth grade education. So he raised me to believe that education is not important, that you do not need it; go out there and sell drugs to make a living. He believed that this is the way to be.

A while back, the courts took us away from our father. They put me with my mother. My mother did not have a job. She is too proud to go on welfare, because she raised three kids. I am the youngest of three kids, but my brother and sister, we are individuals. We look out for number one.

My brother's way out was going into the Navy. My sister's way out was finding a young man to take care of her and moving away. So I am left there with my mother. She has no job, I have no job.

So the best way I get money is the best way I know how. The type of guys I hang with, I do not think you all would even let them in the building. One, not too long ago, was arrested for murdering a 60 year-old man. Another one was arrested for grand theft. And me, I am looking at the situation where I am next in line if I do not hurry up and do something, because I have been taken in for assault. I assaulted a couple of people, and I have been assaulted myself. I had a ligament torn in my left eye because I was hit just that hard.

So now I am just trying to find a job. I had a job during the summertime, but that ended. And like the young man said down here, I was in a building maintenance program in the Community Center on Youth. I completed that program. I graduated out of that program, and I never did get a job out of it because the places they sent me to, they knew they were way out of my district. I have no car, no way of getting there. And getting to work takes money. They would not even give me tokens for me to even try to get there. They expected me to get there the best way I can.

And like I was trying to tell you earlier, I feel like life is a big disappointment to me. I feel like I am being assaulted by anything anybody says. The littlest thing, I feel like they are trying to put me down because I am lower than they are. I have a bad temper. I have gotten in trouble lots of times because of my temper.

And when I heard of this program, it was nice and everything—I really need a chance. All I am asking is for a chance, OK, because without a chance, I will be just like my friends.

When they ask me where will I be in 5 years—I cannot see 5 years from now; I cannot even see two. The only thing I can hope for is tomorrow. I live each day at a time, because I might walk out of here and go home, fly back, and that is it for me, because I live one day at a time. I never plan like next month, I am going to do this, or two months from now, I am going to this place, because I do not know how it is going to be. So I just pray every day, every night. I pray all the time. I just started praying. Maybe I waited too long to pray, but I just started praying.

What I really need to do is to leave all the bad points of my life behind. Like my father is dying now, and I love my father, but that is a point of my life I need to leave behind, because he scarred me in life where I felt like the only way you can make it is to hurt people, steal from people, rob people, do people wrong.

Some people do try to help me. And some of them, like I was telling you earlier, they look at me and say, "Well, this guy is from the street. He does not know anything but to steal and rob." And they judge me on this. And I am not like that. I am really not like that. If I am given a chance, I can be straight, I can live straight, because I have been given that chance before, and I have proven myself. With a chance, I can do it, and that is all I need is a chance, and that is one thing I have not been given is just a chance.

My brother, like I said, his way of escape was the Navy. I have a cousin who did 5 years in the Marines and does not work anywhere. He is letting all this go to waste. He got a high school diploma. I do not have any of this. And I am trying. I am trying, because my cousin feels like if he cannot get a job paying at least $7 an hour, he does not want it. And me, I would settle for a job, like I told the man, at $2 an hour. And he is looking for something $7 an hour or up, and he will not take it unless it is $7 an hour. So he is sitting back, letting all this he has going for him just go to waste. And me, I am just wishing, just praying that I can get in his position, but I know I can never get in his position, because—maybe because I am not ambitious enough. I give up too easily, because I have heard "No" so many times.

Like he said, you can go and get a job at McDonald's and Burger King—I cannot even get a job there. I could not even get a job there. I went there, and they were telling me stuff like, "Yes, we will call you in about three or four weeks." And I called them and bugged them, and they started like getting an attitude because I was bugging them so much. It was like that. So I could not even get a job there.

So mainly, the only way I can see to get money is, like I say, on the streets, stealing from people, robbing people. My father was thrown in jail in 1983 for stealing a 1983 Cadillac. I do not know how, but he got off of it. He was walking the streets in less than three months after that. I do not know how he got out of it. And he is proud of everything he has done in his life. I mean, he feels like this is what gets you over. But that was a different time. That was then, and this is now. What got him over then will not get me over now. The only thing it is going to do is get me 6 feet under—earlier than I want to be.

That is why I know that without a chance, I am not going to be anywhere.

Senator METZENBAUM. How are you living now, Dwayne?

Mr. HARRIS. I am living now on the streets.

Senator METZENBAUM. On the streets. What do you mean by "on the streets"—robbery, assault, stealing?

Mr. HARRIS. No. I am trying not to rob, because I do not want to go to jail, because if I go to jail, that is it for me. That is it. The chance that I am not getting now, if I go to jail, that is blowing any inch I have of getting a chance. So I am not going to jail.

I had met a friend not too long ago who had laid it on the line about if I came up with a certain amount of money, I could go into the drug business, and how much we would get, and double your money, and keep doubling it. This sounded like a good idea to me at the time, so I tried it for a while, and he was doing it. That is the same guy I said was arrested for killing the 60-year-old man. So I have seen where it got him, and I do not want to be there, I do not want to be there.

It scares me because I know the way I am, I would hurt somebody; I would really hurt somebody. Just like if I were to tell you something, and you laughed at me, I would feel hurt enough down inside to really try to hurt you. I know that I am not too good to get laughed at. It is just the way I am. That is why I do not usually tell people my problems. I try to put on a big act. I get people to steal clothes for me, dress nice, good appearance for me, and make people think I am doing much better than I really am. But take off all of this, and I am nothing, I am nothing. I have people steal clothes for me, nice-looking clothes, to give me an appearance that shocks. But take it all off, and I am nothing. The only thing I have got going for me is the clothes I got back at home. That is it. That is it.

Senator **Metzenbaum**. Thank you.

Shawn, would you like to tell us your story?

Mr. **Leyba**. My name is Shawn Leyba. I am 19 years old, and I dropped out of school in the eleventh grade.

My story is—my parents had their problems. I never knew my dad. My mom was on drugs. She did not have much going for her. To take care of a little son, that was just an extra problem for her.

I was about 5 years old, and my mom had her problems, leaving me with her mom and stuff like that. Then she had another baby, my little sister. I was about five, and my mom just took off, just left us in the apartment. For a couple of days, I was taking care of my baby sister. I did not know much, but I knew how to put on Pampers and stuff like that, and we did not eat for a couple days. Then my grandma found out, and from there, I was just bounced around from foster homes to my grandma's house, to my uncle's, to my aunts, cousins, everybody.

In between then, I got in a bunch of trouble, hanging out with guys like he hangs out with, that you would not let in the building. I got into a little bit of the drug business, trying to survive. That is basically it. That is how my life goes. It gets worse from there.

Finally, I got put in jail, put into a couple institutions, and then they set me up in a group home. I got into this group home, and I found a girl that I liked, and we sort of settled down together. She is like a stabilizing force in my life, you know. I am not out, doing all this crazy stuff that I used to do.

I want to be with her, and I am still living with her, and we are trying to make the best of it that we can.

I know a lot of things, like I can build things and stuff like that, but I do not have the degrees and stuff that they want for an architect or building—I do not have all those special degrees, but I am trying to get them.

Senator **Metzenbaum**. Do you have a baby?

Mr. **Leyba**. Yes, I have a little girl.

Senator **Metzenbaum**. And you and this lady and the baby live together?

Mr. **Leyba**. Yes.

Senator **Metzenbaum**. How do you live?

Mr. Leyba. Well, right now I am on general relief, welfare. I do not want to be on that the rest of my life, either.

Senator Metzenbaum. What does that pay you?

Mr. Leyba. It pays $300 a month, but that does not get me anywhere because my rent is $300 a month.

Senator Metzenbaum. You get $300 a month general relief, and your rent is $300 a month.

Mr. Leyba. Yes. And the only way we eat is like they give us food stamps and stuff like that. And I do odd jobs, you know, anything to make some money.

Senator Metzenbaum. What would you like to do?

Mr. Leyba. Well, I am part of that JTPA program that you all were talking about earlier, and I want to be an electronics technician. I want to get the schooling. I am going back in a couple months to get a GED, and then they promised to get me some training. So I am going to go and see what goes on with that, and I hope I can become what I want to be.

I feel like he was talking about, you can get a job like at Burger King and stuff like that. That would not pay for my house or my child or anything; I could not get anything with that. You make $200 a month. But if I get a good job, maybe I can support my family.

And something like Burger King or McDonald's, you are not doing anything for the community. What are you doing? You see these guys at a fast food restaurant, and they are not doing anything. They are just making their minimum wage. But you see an architect or a builder or a brick mason or something like that, and you can go out and you can build something, you can put something back into the community, you can help in some kind of way. That is what I feel like you should do, is put something back instead of taking and taking and taking.

Senator Metzenbaum. What kind of jobs have you done, Shawn?

Mr. Leyba. Almost everything, from cutting grass to, like I said, stealing, selling drugs, all kinds of stuff. I did have some construction work that I did do, and the only reason I learned that was picking it up from different people on the street that I knew—fry cook, almost anything to get by.

Senator Metzenbaum. You are unmarried now?

Mr. Leyba. Right. We are going to get married. I just want to get enough money. You know, you only get married once—or you should only get married once—and I want to make it special for her and special for me, instead of just going down to the justice of the peace and putting $50 or $25 down. That is not anything special. I want to make sure I get it so you can go somewhere, like a nice place, so you can remember that day so it is a special day for you forever.

Senator Metzenbaum. Thanks, Shawn.

Arnetta, would you like to tell us your story?

Ms. Battle. I am Arnetta Battle, and I am from Cleveland, Ohio. I am 18. I did graduate from Jane Adams Business Careers. I went to high school at John Adams for a year, in 10th grade.

I got pregnant toward the end of my senior year, and I stayed with my mother and father. So at home, life looks pretty good, because I am an only child. But basically, I have always had that sense of independence, the feeling to want to do thing for myself.

Like they were saying, it is very hard to get a job. When I was a lot younger, they would always tell me you had to be 14; when I got 14, you had to be 16; when you got 16, you had to be 18. It was always a step ahead.

So I put in a lot of applications and things, but basically, it is who you know in the work field. Most of my friends are working their way through college and going to school. And I myself, I wanted to go to college when I got out of school, but after I got pregnant—my baby is four months old. He was born in September. I wanted to go to school in January, but I was not able to, so now I figure, the way things are going it will probably be September, and then I still may not be able to go, because my father worked for Euclid, Inc., and he is a retiree, and my mother is on disability because she had a fall and she has no use of her left side. So it is basically me now that is trying to help out. My father did have a good job, and it paid well, but we own our house, and when you are only getting something once a month——

Senator METZENBAUM. How much do you get a month?

Ms. BATTLE. I got on ADC in October—and don't get me wrong, I do not put people down on ADC, because there are people who really do need it—but I feel like I should be doing better, because I feel like there are people who need it more than I. The basic reason for me doing so was really the encouragement of an administrator at the hospital, because my father's insurance did not cover the birth of my baby and everything, and that is basically how I got started. Then, too, it takes care of my baby. They only give you $248 a month, and really, that is not a lot of money a month. I am not a selfish person, so therefore all that money basically goes toward my son. And then I try to help out my mother and father with bills and everything, and once I do that, there is no money left for me. So you could basically say my parents are still taking care of me.

I met a Mr. Eddy Fields in August of 1985 when I auditioned for Savior Choir, the State gospel choir. I was chosen to sing in that choir, and I met a Mr. Fields—he works at Collingwood Community Center, and he is also sort of a promoter of music in his spare time. He gave me his card and tried to get me into singing. And he told me they were hiring for 2 days, and I am working at a stipend of $20 a day. And that is really not much, because I work 8 hours, from 9 to 5. But I am desperate. It is the first job I have ever had, and I really do need the money.

Now, I look at people, and I know there are people who are worse off than me. But I feel like I am nobody super or anything, but I guess there is never enough money. Like I said, my father is a retiree, and by owning our house, most of the money goes toward the house and bills and things, and then there is nothing else left. And the little money that I get, I try to help out, and that leaves nothing for me.

And like I said, jobs are hard to come by, because it is basically who you know. I have put application on top of application, and it is like, "OK, you have a lot of skills. Fine. But do you have the work experience?" Someone with the work experience but fewer skills than I, they would get the job because they do have the experience in the working atmosphere.

I feel as though that is very unfair, because how can you get experience if no one will ever give you a chance?

That is basically all that I can say.

Senator **Metzenbaum**. If you had your choice as to what the future would hold for you, what would you like to do?

Ms. **Battle**. Well, I would like to go to college to get a degree in computer science to become a systems analyst.

Senator **Metzenbaum**. Do you think you have any chance of making that into a reality?

Ms. **Battle**. I believe so, because—I was brought up in the church, so I have always believed if I have faith in God and have faith in myself—you have to believe. If you believe you will be somebody, then I feel you will be, and I do believe that.

Senator **Metzenbaum**. Have you tried to get a scholarship?

Ms. **Battle**. No, I have not.

Senator **Metzenbaum**. You are from Cleveland, right?

Ms. **Battle**. Right.

Senator **Metzenbaum**. There is a program there called Cleveland Scholarship Program which has been very helpful, and if you do not know how to reach them, one of my staff will be glad to tell you how. They might very well—they are especially set up to help people such as you, Arnetta, and maybe we can help you along that line.

Ms. **Battle**. Well, the basic hold-up for me now is because my son is so young, and I really do not have—my parents will keep him when I am away, but my mother cannot use her left side, and my father has errands to run and things, and I will have to stay home, because there is really no place for me to leave him. That is really my basic hold-up right now. And by being unwed, that has a lot to do with it.

Senator **Metzenbaum**. The father of the baby lives in Pittsburgh and provides no support at all?

Ms. **Battle**. No. He does not even work himself. He is not motivated. He used to play semi-pro sports. We were together about five years. He used to have a lot of ambition, but he has one of those possessive mothers. We planned on getting married long since before I had even thought about becoming pregnant. But it got to the point where his mother put so much pressure on him that it tore him down, because he did not drink or anything, and now he does drink, and he hangs out on the streets all the time. It is like his mother did it to him because she put so much pressure on him. She is always telling him, "You are never going to be anybody. You were a mistake. You are like your stupid father," and blah, blah. And that bothers him, and he lets it get to him.

There was a point in time where I could encourage him over her, because Pittsburgh is like 2½ hours from Ohio, and my father's mother lives there, so we went there like every weekend. So I saw him pretty often. But then when I became pregnant, I was unable to go over there as often, and there was so much pulling against me. And he is a nice person, and he lets what people say get to him, so they got to him, and now he is like a nobody.

He told me, "Well, nobody cares about me. I do not care about anybody. I just live today." And I think he said he had started selling drugs for a while. He expected me to be there for him all the time, which I tried to, but then it got to a point where I really could not. It was not so much what he was doing. I would deal with that. But it was the point where his mother dug in so much that I just had to let go because I could not deal with it, with my baby and all.

It is hard to take care of a child as a single parent.

Senator METZENBAUM. Thank you, Arnetta.

Vance, you are the last witness of this panel. Do you want to tell us your story, where you are from?

Mr. ISON. My name is Vance Ison. I am 16, and I am from Cincinnati. My story is kind of different from theirs.

First of all, I started having a little bit of trouble in grade school, fifth or sixth grade, so I thought I would move to Florida, where my dad lived. I moved to Florida with him. He had this job where he worked for a company that made signs, and they had different branches all around the United States, so he had to move around State to State. So that messed up schooling.

As I would move with him, I would move around the end of the school year, and they would go ahead and pass me because they could not get the records from the other school on time. So they would pass me, and they would just keep doing this.

I would ask the teachers to test me to see exactly what level I was on, and they would not care, would not pay any attention.

Senator METZENBAUM. When did you drop out of school?

Mr. ISON. In the eighth grade.

Senator METZENBAUM. And what have you done since then?

Mr. ISON. I have been looking for a GED Program, and I found one at the East End Learning Center. I have been in it for about 2 weeks.

Senator METZENBAUM. What did you do before that? You dropped out when you were about 13, and you are now 16. What did you do in the last 3 years, Vance?

Mr. ISON. Well, I was looking for a job, but as far as jobs went, they would say, "Well, you do not have a high school diploma," or "You do not have enough skills to work here." They just do not give anyone a chance.

As far as jobs, I have only found one, but it was in Covington, right across the bridge from Cincinnati, and you cannot work in one State and live in another, or you have to pay two State taxes.

Senator METZENBAUM. When you dropped out of school, did anybody call you or follow up with you to ask you why you were not coming to school?

Mr. ISON. No. They did not say a word. No one called at all.

Senator METZENBAUM. And do you think that the GED Program is going to help you get to a job?

Mr. ISON. Yes. I plan to go through with that and try to get my GED and then go from there to college and become a doctor.

Senator METZENBAUM. You want to be a doctor?

Mr. ISON. Yes.

Senator METZENBAUM. And you hope to go back to school in order to finish your education?

Mr. ISON. Yes.

Senator METZENBAUM. When do you think you will do that?

Mr. ISON. Well, I am in the GED Program right now.

Senator METZENBAUM. And how long will that carry on, Vance?

Mr. ISON. Probably about another 4 months.

Senator METZENBAUM. Four months. And is that a full-time program, the GED program?

Mr. ISON. Yes.

Senator METZENBAUM. And when that is concluded, what are you planning to do in your future?

Mr. ISON. I was planning to try to get college tuition and go to college, complete college, and then go to medical school.

Senator METZENBAUM. Wouldn't you have to go back and finish your high school education if you dropped out in the eighth grade?

Mr. ISON. They said that the GED program completes that, too.

Senator METZENBAUM. The GED program will give you the equivalent of a high school diploma?

Mr. ISON. Yes.

Senator METZENBAUM. I see. Are you optimistic about the future?

Mr. ISON. Yes.

Senator METZENBAUM. Good, good.

Reverend Jackson, you have heard the testimony of these five young people. What do you think we can do to reclaim these youngsters from the streets?

Reverend JACKSON. As I listened to each one of them give their testimony, I kept thinking about who is responsible for them as American youth. My mind kept going back to President Reagan standing on an abandoned lot in the Bronx. President Reagan made a promise to these youth, and he has broken that promise.

The President of the United States is abandoning our children and assaulting them if you look at his budget priorities. He apparently has no place in his heart or in his budget for these children. Leadership must take place at that level.

They are locked out of jobs, locked out of job training and locked out of college.

One of the things, as I listened to them grope for one more expression of life, perhaps as opposed to referring to them as "disadvantaged youth," maybe we should refer to them first as "youth with reduced life options". They are first youth, with a tremendous amount of hope. In other words, if we just keep calling them "disadvantaged," since that is a negative concept and a negative term, we might assume that there is some congenital deformity here. But these are youth, with tremendous survival skills, whose life options are reduced and, just like Jesus, they were born in the slum for the most part, but the slum was not born in them. So we must remember that we must keep expressing hope for them, keeping it burning within them.

One thing is clear to me when I look at urban America where these youth come from, if we commit ourselves to an urban policy that there are enough jobs, meaningful jobs, that need to be done; if they live in public housing projects, they should be taught to be elevator operators—a good, sound job, and they are needed—to be brick masons, carpenters, glaziers; if we invest in inner-city infrastructure development, we can invest in training the youth to do those jobs, and we must have an alternative vision.

Lastly, Senator, I remember being with you in Alabama almost 20 years ago as we marched together to make racial violence illegal, so though the Klan killed a young man in Alabama, they are going to have to pay $7 million for it now; and though someone was killed in New York, those who did the killing must face the judge; those who threw the rocks in Georgia must face the judge—because racial violence is illegal. That was the success of our movement.

This is economic violence, and it is legal. Closing the plants without notice is legal. Driving them from school with good minds while they sit there, half hungry, is legal. Driving them from the hospital while they are still sick is legal.

Thus in a real sense, our challenge is not just to get these dramatic testimonies of the extremes; we must change the structure under which these children and their parents function every day.

Senator METZENBAUM. There is a recent study by the National Bureau of Economic Research that indicated that young people who regularly attend church have a much greater chance of getting jobs. That may be because the more motivated youngsters went to church, or the church helped these young people build a network of support in society, or a combination of both. Maybe the fact that they went to church in the first instance indicated a kind of motivation on their part or interest.

Do you think that there is any realistic thought that we could do more to mobilize the churches and our urban centers to tackle this problem?

Reverend JACKSON. Well, to be sure, church represents a hope factor. There is tremendous stimulation in the church. There is the faith factor in church. To many young people, the minister becomes the surrogate father who salvages them from despair. But so many of them face Monday morning as buoyant grapes full of hope and the sweet juices of potentiality, but then their grapes are turned to raisins by Friday, because the objective world closes down on them. So those who have that hope kindled by some good minister may make it a lap or two further, those whose flames were never lit. But there are objective realities they must face as well.

For example, in the last ten years, look at the discrimination factor, plus this administration's attitude about these youth—not the very extreme disadvantaged, those who have been hurt the most—there were 5 percent black students at the University of Chicago in 1976; there are 2.5 percent today and dropping. Of 1,300 faculty members, 11 are black.

At Princeton, of 645 faculty members, 7 are black; of 1,600 graduate students, only 22 are black. This is not the ghetto; these are not the drug dealers. They are a different kind of merchants of death.

At the University of Michigan, 2,200 faculty members, 63 are black—down—7.7 percent blacks in 1976; today, it is 5.0 and dropping—except over in the ball-playing department where these young black youth are put to school on scholarship, by generating money to pay coaches and faculty members.

At Harvard, 97 black freshmen, down 30 percent in 10 years.

So the dream-busters are not just at the very base, in the ghettos of Cleveland and Cincinnati. These dream-busters are coming from the White House, and coming from Harvard and Princeton, the University of Michigan, and Chicago as well, and they must be a part of our scope.

Senator METZENBAUM. I remember when I was in the business world, attending a meeting here in Washington at the Sheraton. It had in attendance some of the best union leadership in the country, and there was a sense of fear and concern because our cities were being burned down, whether it was Watts in Los Angeles, or whether it was Hough in Cleveland, or Detroit, or Washington, or New Jersey, or wherever. And out of that meeting, which had the cream of the leadership of the country sitting up on the platform there, talking about what they were going to do, there developed the Urban Coalition.

Do you have a feeling now as to the concern and involvement of the business community and willingness to accept a substantial share of responsibility in helping us to take these young people off the streets and put them into useful jobs?

Reverend JACKSON. The business community for the most part is now moving toward the unbridled greed of merger-mania. They have almost no regard for America, generally, nor these youth in particular; it is all about greed.

When Roger Smith and GM, three days after an election, will close down 11 plants, 30,000 workers, and say it is because there is no money to pay them, and we cannot be competitive—and then the next week, pay Mr. Ross Perot $700 million to stop protesting inside of a board meeting—something is fundamentally wrong with the merger-maniacs. That is why I am concerned that we do not get trapped with these youth, exploding through riots or imploding through drugs, but challenge them to be involved in part of a struggle that will begin to put America back to work and stop those who are bleeding our economy and taking our jobs to slave labor markets abroad, or who are getting the best America has to offer, getting their nectar from America, and then dropping their pollen in slave labor markets abroad.

So those gatherings do not exist anymore. One, these youth, if they were fully conscious, would be fighting back and exploding. But because of the drug participation, they do not have the energy to fight back. They are in the twilight zone. They are not fully alert. They are not awake enough to get mad.

The Godfather movie suggested that through the heavy investment of drug traffic, we are dulling their sensitivities. And that is why I see the drug factor and the discrimination factor and the merger-maniacs as all forces that are fundamentally anti this generation of our children.

Senator METZENBAUM. I appreciate your testimony, Reverend Jackson.

Before we conclude this segment of the panel, I would like to ask the young people if any one of you feel there is something you would like to say at this point, we would be very willing to hear from you.

Is there anything further you want to add?

Dwayne?

Mr. **Harris**. I really just want to defend myself about why I dropped out of school, okay? That is all I want to do. The reason I dropped out of school is because it is hard to concentrate in school when you think about going back home where there is nothing to eat, and you face the same problems that you left.

It is hard to concentrate, and it takes money to get back and forth to school, and that is what we are here trying to tell you today. It takes money for just about anything you try to do.

Education is where it is at, but what is an education without money? What is money without an education? You need both of them; really, you need both of them. What is one without the other? I mean, if I had the money, I could finance myself so I could get back and forth to school. And if I had the education, I think maybe I could get a job, or I can get anywhere I want to go.

So really, I am just here to say I did not drop out of school because I wanted to be a gangster or a hoodlum. I dropped out of school because this was where life was pushing me. My life was not staying in school; it was staying in the streets. And I listened to the streets. I put school aside.

That is all I wanted to say.

Senator **Metzenbaum**. Thank you, Dwayne.

Shawn?

Mr. **Leyba**. Yes. We are just small representation in Cleveland and Cincinnati. But I guess what we are really here to ask is—you know, I never even thought I was going to get this far—the lights, the cameras, and all that. If you see this place on TV, it is so far away. From my point of view, you are never going to get there; they are not going to help you; you have got to do it on your own. I am finally here, telling my story, and I hope the government can help some people.

I feel lucky that I had this chance to tell my story and hope it will help other kids like me. I know there are a lot of kids that are worse—but then again, there are two sides. These people here that have come with me, they want to work. But there is also another side that I see, people who do not want to work. They would just rather lie on their buns and collect their welfare and just take from the city, and they do not want to give back. So there are two sides.

I do see the people's point who are hiring us. I do not want to blame it all on the people who are hiring for the jobs, because I do see a lot of people who go in looking for jobs, names colored in their hair, and beads and chains, and all. That is not the way you go for a job interview. But then when somebody nicely-dressed comes in, like me, even though I am Hispanic—you know, the first guy could have been with chains and a bad attitude, and then I come in and they still remember that, you know. It is kind of hard. I see their point. But what we are asking here is for some kind of chance.

Thank you.

Senator **Metzenbaum**. Dwayne told me before the hearing that he had pretty long hair, with the curls in the back, and he cut it off, but it did not help him get a job; is that right, Dwayne?

Mr. **Harris**. Yes. If I were going to a place with my hair long, and earrings in my ear and beads in my hair, they would look at me like I was crazy. So, when I decided to cut it down, I still kept the earrings—I did not get rid of that—but when I cut the beads off and cut my hair down, they still looked at me the same way.

Senator **Metzenbaum**. I understood you were going to share one of those earrings with Reverend Jackson.

Reverend **Jackson**. And one with Metzenbaum. [Laughter.]

Senator, may I make a couple of observations—and I respect you very much. I just want to make this very critical observation——

Senator **Metzenbaum**. Certainly, Reverend Jackson.

Reverend **Jackson** [continuing]. About even the make-up of this panel and what I think the basic reaction will be, given the nation's orientation.

The late President Kennedy in campaigning picked up a black youth in his arms in Harlem and they said he was a nice guy, he was a liberal, but after all that is the way some liberals are. He picked up a white youth in his arms in Appalachia, and that baby's ribs were exposed, and tears came down that baby's face. And America said we have got a problem, and we must do something about it.

If I had just gone to inner-city schools to focus on drugs and black youth, the press would have had one kind of field day. When I go to suburban schools, and they see the youth are mostly white, "We have got a problem"—that is another kind of reaction.

The media projects blacks in five deadly ways every day—blacks and Hispanics the same way. We are projected as less intelligent than we are; less hard-working; less patriotic; less universal and more violent.

If this panel had mostly white children lined up, the media would handle this story differently. Of 41 million in poverty in America, 29 million are white. The poor are mostly white and female and young. The stereotype is mostly black and brown and urban.

So one of our challenges, it seems, is to broaden the base on those who are involved so our interests can be stimulated. I think it is very critical.

The other thing is that I cannot get away from this notion of care and the President's responsibility. As I attempt to translate this to think about the way Dr. King looked at the Rosa Park situation, he did not say because her feet are hurting, get a podiatrist, and get the bus driver to apologize, and fire the policemen who arrested her. He knew the whole system—the system—had to be dealt with.

As I think about this President and these children, he would be much like Herod, for under Reagan, Mary and Joseph could not get a room in the inn, and could not get legal assistance to apply for discrimination; and Joseph could not get retraining or a union job; under Reagan, Mary could not get prenatal care, and Jesus could not get Head Start or any kind of preschool education or job training. And I suppose the Star of Bethlehem would be destroyed by star wars.

The whole system is stacked against those who are locked out of the inn and living in the stable, and they cannot even get the stable insulated.

So I hope that somehow, we will broaden out the faces of those who are testifying, and put more and more focus on the office this day that has, by the stroke of a pen in its budget, touched these boats stuck at the bottom.

Thank you very much.

Senator METZENBAUM. Thank you, Reverend Jackson.

Thanks to all of you for testifying.

I also want to thank Marvin Chappell, of Friendly Inn Settlement House in Cleveland, and Victor Gay, of Citizens Committee on Youth in Cincinnati, who helped us in sending our message out to these young people that we wanted to invite them to this hearing; thanks to each of you for being with us today.

Our next panel consists of Elton Jolly, president of Opportunities Industrialization Centers of America, Philadelphia; Lawrence Brown, president of the 70,001 Training and Employment Institute in Washington; and Raul Yzaguirre, president of the National Council of La Raza, Washington, DC.

Mr. Jolly, Mr. Brown and Mr. Yzaguirre, I am going to ask you, since I gave that panel a little more time than I thought I would, but I really was not inclined to cut off any of the young people, but I wonder if each of you could make your presentation in five minutes, if that is reasonable.

Mr. Jolly, we would be happy to hear from you, sir.

STATEMENT OF ELTON JOLLY, PRESIDENT AND CEO, OPPORTUNITIES INDUSTRIALIZATION CENTERS OF AMERICA, INC., PHILADELPHIA, PA; LAWRENCE C. BROWN, JR., PRESIDENT, 70001 TRAINING AND EMPLOYMENT INSTITUTE, WASHINGTON, DC, AND RAUL YZAGUIRRE, PRESIDENT, NATIONAL COUNCIL OF LA RAZA, WASHINGTON, DC

Mr. JOLLY. Thank you, Mr. Chairman, and to this distinguished committee.

I am Elton Jolly, president and chief executive officer of the Opportunities Industrialization Centers of America, Incorporated.

I want to express on behalf of Leon Sullivan and the OIC's of America and our more than 100 affiliates, located in 36 States, our sincere appreciation for the opportunity to share our views with you and the other members of the committee by appearing before you today.

For over 20 years, policymakers, planners, and program operators have been decrying the plight of youth. The cries for help have yielded special programs, new ideas, new professions, and little significant change in either the unemployment rate for school dropouts in general, minority dropouts in particular.

I am going to move away, Mr. Chairman, from my script, because it has already been submitted, in light of what has already happened, if you do not mind.

Senator METZENBAUM. Your entire statement will be included in the record.

Mr. JOLLY. Thank you. I was deeply moved by these youngsters who were here and the testimony of Reverend Jackson, who has been a friend, a colleague and a leader, along with Leon Sullivan and other members of the Black Leadership Forum.

There is a statement that was made by Drinkwater some years ago, when he talked about what he entitled "The Deed." He said, "Knowledge, we ask not, because knowledge thou hast lent. The Deed, there lies our bitter need. Give us to build, above the deep intent, the Deed, the Deed, the Deed."

For over 20 years, I have been coming here to the Congress, working with the Administration, with Dr. Sullivan and others, and I find that even after 20 years, that with all of the legislation and all of the regulations and all of the authorizations and so forth, that we still have an inappropriate social arrangement that does not allow us to do the kinds of things that we know need to be done so that these youngsters can be helped.

Somewhere there must be the will to do what needs to be done, where we can put in place the appropriate social arrangement, have it effectively evaluated, bring about the kinds of corrections that are required, know very well that these youngsters will have full opportunity in the right arrangement to be able to live fruitfully in this place that we call America.

We have said in OIC that every American deserves the right of opportunity to compete for a decent job, earn a decent salary, live in a decent home, and be able to feed their family. It appears to me that that is the value, that is the hope for America, and that what we must do is to find ways to save our youth, because they are our leaders of tomorrow.

We have a countless number of programs that we have demonstrated—the records are there if you look at my testimony, in terms of things that can be done, how you can deal with dropout youth, how you can find them on the corners, how you can bring them in, motivate them and give them hope. The stories I heard from these youngsters are stories I have heard over the last 22 years; nothing new to us. Those of us who are community-based organizations, what we have said to the system time and time again is, "Let us help you. Let us help you to deal with this problem, because we know where the youngsters are." They are standing on the corners, they are in those community centers, they are in the alleys, they are in the jails, they are all over the place. And we have to find ways to deal with them—effective ways to deal with them.

I think that your committee is on the right road to get that done. What we are asking is that we create a new system. When I say a "new" system, one that guarantees collaboration among all of the parts that are spread out, like my hand, where we need to pull them together; where you have resources that are in one administration that is in Health and Human Services, and another set of resources and legislation that is in the Department of Labor, and another set of legislation and resources in the Office of Education, and then you have State resources that are available and generated through tax revenue base and so forth—that, somehow or another, we have got to find ways to collaborate and utilize all of us who can help within the framework of that system to deal with this problem of dropoutism.

That is the addition that I would like to include with my testimony, and I thank you for this privilege of participating.

[The prepared statement of Mr. Jolly follows:]

STATEMENT OF THE OPPORTUNITIES INDUSTRIALIZATION CENTERS OF AMERICA, INC. (OIC)
SUBMITTED TO THE SUBCOMMITEE ON LABOR OF THE LABOR AND HUMAN RESOURCES COMMITTEE

FEBRUARY 17, 1986

Submitted: Elton Jolly
President and Chief Executive Officer
Opportunities Industrialization Centers of America, Inc.

Mr. Chairman, distinguished committee members, I am Elton Jolly, President and Chief Executive Officer of the Opportunities Industrialization Centers of America, Inc. (OIC). I want to express on behalf of OIC and our more than 100 affiliates, located in 36 states, our sincere appreciation for the opportunity to share our views with you and the other members of the committee by appearing before you today.

For twenty years, policy makers, planners and program operators have been decrying the plight of youth - especially minority youth. The cries for help have yielded special programs, new ideas, new professions and little significant change in either the unemployment rate for school dropouts in general and minority dropouts in particular.

There have been a significant number of successful demonstration programs and some like the Job Corps have been institutionalized. OIC has contributed some successful demonstration models. But, my concern with unemployed minority youth is not parochial or institutional.

The numbers are so far beyond my wildest dreams of expanded OIC capability. We must have a broader set of policies and programs to help unemployed out of school youth to get an education, training and a job. The "social dynamite" caused by idle, unemployed, out of school youth which James Conant described in 1960 is growing and becoming more potent. But, we are also losing the productive talents of hundreds of thousands of young people. Society needs to utilize the minds and bodies of minority youth to increase productivity.

There is no single simple solution to the problems of youth unemployment. Rather, we need a set of alternative programs and a system for matching youth with the program which most closely meets their needs. OIC has always designed flexible responsive services, geared to the needs of each individual. OIC is one of many alternative community based employment and training programs.

In addition, the public schools, community colleges, proprietary schools, private industry councils, employers, employer associations and others make up a complex system which trains and educates our youth to prepare them for employment. Together we offer diverse approaches, services with differing systems and methods.

OIC has been serving unemployed youth, especially minority youth for 22 years. We have run alternative schools in conjunction with public school systems, we have offered summer youth programs with educational components, we have offered vocational training for youth, run a job corps center and offered tutorial programs. Our experience is long and varied. We have served youth of all kinds: dropouts, potential dropouts, adjudicated youth, under achievers, gang members, substance abusers, teen parents and other at risk youth.

OIC was one of the founding members of the National Youth Employment Coalition and I had the honor of being the first Chairman. This Coalition, of which my colleagues on this panel, the National Urban League and 70001 are both members, and Larry Brown is the current Chairman, was formed to build support and educate coalition members, other youth serving agencies, policy makers and the public about the needs of unemployed youth and the experience of youth employment agencies.

This panel represents considerable experience. OIC has served more than 1 million people since 1964. I will not take any more time to spell out our track record because I would rather talk about the needs of high risk, unemployed youth and offer some suggestions or alternatives for providing them with education and training. I share your impatience for specific answers, with predictions of success and a price tag. We need to institutionalize programs which work for youth with specific problems. Together we can find a way to motivate unemployed youth, especially those with little or no literacy, sporadic work experience and a distrust of our systems to take advantage of employment and training opportunities.

Minority (Black and Hispanic) youth dropout of high school at much higher rates than white youth. The Black dropout rate is 40% higher and for Hispanic youth the rate is 250% higher than for White youth. Between 1979 and 1982 there were 5.8 million youth who dropped out of school. In 1985, according to a report by the Education Commission of the States there were 700,000 dropouts and 300,000 chronic truants. Clearly there are far too many youth not getting an education who need remedial education and training. These alarming numbers demand action. We must stem the tide of dropouts and give those who have left school a second or third chance.

Funds must be targeted to those youth who are most in need if they are to receive education or training. These are the youth that most institutions are unable or unwilling to serve. They are labeled troublemakers, delinquents, hostile and failures. If they read write and compute at all, it is poorly. Work experience is sporadic at best and often they have had police records.

Under the Job Training Partnership Act or any performance based system, these youth will only be served if the performance standards enable service providers to offer long term education, training and work experience. Few employers want these youth for on the job training programs because of their problems and few of these youth want to go back to the classrooms in which they have failed. They must go through an extensive pre-vocational feeder program before they are referred to a job or training.

To reach these youth, we must target funds to youth with the characteristics of those most in need - high school dropouts, low levels of literacy, little work experience and no salable skills. We must offer a range of alternative services, basic skills, English as a second language, GED, counseling, work experience or work tryouts, skill training either in a classroom or on the job. We must be prepared to invest both time and money in youth for who failure is predicted.

We have been looking for an instant solution to these problems for 25 years. These youth frustrate our schools and employment and training agencies. They are part of what has become a permanent underclass in our society which pretends to be classless. All of our efforts have failed to reduce the number and percentage of unemployed minority youth. OIC has countless success stories and has proven that we can help youth with the most severe problems. But, we are unable to help enough of these high risk youth and we have been unable to change the system which continues to produce illiterate youth with no hope, few skills and an inner rage which drives them to anti-social acts.

We must make an investment in these hard to serve youth and build and support organizations, especially community based organizations which are committeed to serve those most in need. Incentives must be given to agencies and staff which help these high risk youth. Performance based contracts must provide enough funds to help people with multiple barriers to employment and they must allow for enough time to allow youth to acquire the skills and education that they need to compete for jobs.

Let me take a few minutes to share with you the success of two youth employment programs run by OICs of America which have demonstrated effectiveness. I am citing these examples to show that youth can be helped no matter what their handicaps. OIC has, for more than 22 years, worked with dropouts. I am citing these examples to show that youth, delinquents, illiterates, teen parents and other high risk youth, can be helped no matter what. Our affiliates in more than 30 states have also run successful programs, but I will only talk about the Career Intern Program (CIP) and the Career Exploration Programs (CEP). OICs of America created and launched these programs and I was personally involved in all phases of development and implementation.

The Career Intern Program was begun in Philadelphia in 1972 with funding from the U.S. Office of Education and subsequent funding by the National Institute of Education. After five years of development and evaluation, the CIP was replicated in three additional OICs and other non-OIC sites with funding from the Youth Employment Demonstration Projects Act. I use CIP as an example because it was evaluated, dissected and observed at almost every phase. It was a success serving high school dropouts and was replicated. We can still build on this model.

The CIP served youth who were identified by the public school system as school dropouts or potential dropouts. The most common definition of potential dropout is truancy. OIC was able to recruit these youth to attend an alternative school with a smaller class size , 15 to a classroom, intensive counseling (a counselor/student ratio of 1 to 35) and an emphasis on preparation for work.

The CIP model has three phases. The first phase is Career Awareness which includes an orientation program, Career Counseling Seminar, academic courses which fuse career information and academic subject matter. Students learn of career possibilities, discover talents and interests and build basic education skills.

Phase 2 is career exploration and its lasts from 22 weeks to two years. Interns explore careers by visiting employers and trying out work for short periods. They also continue education which fuses basic skills and career information. The final phase of the program is career specialization which consists of either taking a job or continuing post high school education.

Let's talk about the bottom line. According to the evaluation of the initial CIP, conducted in Philadelphia, 67% of the CIP participants had completed high school or were still in school compared to 13% of a control group. 44% had high school diplomas compared to 7% of the control group. In 1977, when the study was done, CIP costs $248 per month per student and $233 for a vocational student. This increased cost is negligible compared to the human waste that results from being a dropout - lower productivity, lost taxes and increased welfare.

Also, OIC showed that CIP could be replicated by OIC and other community based organizations. Sadly, when Federal financial support ran out, CIP, as run by OIC was terminated. I am sure that many of the aspects of CIP are incorporated in high schools today. Its success was well publicized and its innovations are included in current career based education models. But I also know that high school students continue to dropout and we have no effective system to combat this problem.

The Career Exploration (CEP) was another experiment run by OIC, replicated by OIC affiliates and evaluated by the U.S. Department of Labor. CEP was started and evaluated by the U.S. Department of Labor. CEP was started by OIC in the summer of 1979 to serve the poor youth who were adjudicated delinquents, high school dropouts or potential dropouts. The program combined 10 hours a week classroom instruction and 20 hours a week work, combined with year round followup and counseling. Our evaluation of the program showed that youth returned to school. Twenty-four percent of the initial particpants were dropouts and 90.5% were in school in the fall compared to a control group in which only 66.5% were in school.

The principles of the CEP program were incorporated in the Job Training Partnership Act amendments in 1986 which require an education component for summer youth employment programs and allows for year round followup. It seems so simple and is so effective. I commend the Congress for these amendments and urge you to find similar ways to institutionalize the learnings from effective youth programs.

Why was the CEP model institutionalized and CIP not? You might also ask why are we still citing with alarm the high percentage of minority dropouts. Our schools are slow to change and we have too few alternative programs for poor youth. It is easier to use CBOs for summer youth employment than for year round education programs. OICs CIP success resulted from its non-traditional approach. Classes were smaller, counseling was available as needed, teachers were encouraged to experiment, sudents were motivated by the total programs and careers were an integral part of the educational experience. Somehow we must continue the experiments which offer salary alternatives to despair.

Even if you concentrate a program on young minority dropouts, you will need a broad range of services. This is not a monolithic group as its sterotype would suggest. Some have had trouble with the law, some are parents, some have no place to live, many come from unstable homes and almost all are frustrated, angry and without hope. Most want to work, but few if any see an opportunity for a job that pays a decent wage. Hope and self confidence are motivating.

Some of the services which are needed are:

1. Dropout prevention - We must invest in keeping youth in school and teaching the basics while they are there. I fear that some of the education achievement requirements will push more youth out of school. We must offer these youth special classes and tutorials. Class size must be reduced, counseling should be offered and for some youth career related education may help.

2. Alternative schools for dropouts - We need to create a network of alternative schools for dropouts as a way to provide the education which is necessary for these youth to get jobs and keep them.

3. School to work transition - This should probably be school to work to school to work to school to work, etc. Youth may leave school, go to work, quite, go back to school. Most youth need basic education and this becomes more difficult the longer they are out of school. It may have to be offered in non-traditional settings and we may need one to one tutorials for some people. There must also be career information and career counseling tied to education. For some dropouts vocational education may be the best alternative.

4. Literacy - Computer assisted instruction has proven to be an efficient and effective way to provide remedial education and OIC affiliates are operating Learning Opportunity Centers in 29 cities using this technology. It works for many people.

5. English as a second language (ESL) - Now English speaking or limited English speaking youth must be offered ESL educaiton before, during and after training.

6. Costs - Youth with multiple problems require more service at higher cost.

Thus the dropout who is a parent or is functionally illiterate requires more time and a greater investment. The performance standards are set for the norm or the average cost for serving a group. This has the effect of screening out persons who requires greater than average services. While I can fault agencies for fitting services to the funds which are available for service the effect is to discriminate against those most in need.
Targetting services to those most in need concept, I endorse, but there must be oversight and enforcement if high risk youth are to be served. For example the Job Training Partnership Act requires that dropouts be served equitably. Fifty-one percent of the JTPA eligible population does not have a high school diploma, yet only 27% of the JTPA enrollees are out of school with out a high school diploma. If we legislate that high risk groups be served we must have an enforcement mechanism.

To be successful, youth programs must be able to reach and motivate turned off or alienated youth. OIC has learned that young people with no hope can be motivated to believe in themselves when they are exposed to role models, people who rose out of similar backgrounds and succeeded. Counseling and personal assessment instill pride when they are used to identify individual strengths. It helps to have staff who understand youth, their fears and lack of hope. Programs which service high risk youth must have a great deal of patience.

OIC has learned that youth may need to be placed on a number of jobs before they find the right one. The first time a young person quits a job, we have to be there to follow up and get him or her back in the program. Our job must be to help a person as long as they are trying to help themselves.

There is no quick and easy fix. OIC or any program must maintain contact and followup with each person until they are secure on the job. A relationship must be established which encourages the youth to contact the counselor if he or she has a problem at work or loses a job. Federal policy makers have been trying to develop a comprehensive youth employment policy for 25 years. We have had considerable success with some youth and have learned a great deal about programs which work. We also know that there are some youth who require a larger investment of funds and demand patience and persistence. What we need today is to build on our existing systems, target services to those who are often excluded and enable program operators to take a risk on a youth with severe problems without courting bankruptcy.

Mr. Chairman we appreciate this opportunity to express our views and want to express our thanks to you for your committment to this growing problem.

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Senator **Metzenbaum**. What do you think you have to figure as a cost per individual if you are to have a broad-based plan to save these young people that are out on the streets now? We are talking about "*x*" dollars now, because I am trying to figure out—in fact, at one point I was going to say if you had $500 million, what would you do with it, how would you use it, and how many young people do you think you could affect—but to put it the other way, what does the OIC program cost on a per-individual basis in order to get that young person off the streets and into the mainstream?

Mr. **Jolly**. Well, let me just put it this way. If we started from scratch, where we did not use and have some of the existing agencies there involved, so that it is the support system, the hand concept, the cost would be astronomical. But if you are talking about a community-based organization such as my own, working in conjunction with school systems, working in conjunction with the voc ed centers, working in conjunction with employment services, working in conjunction with welfare, where all of us have put down all these titles, and we are focusing in on the common denominator of how we are going to save this youngster and putting our best resources forth to do the things that we can do and do them well, we could do it for anywhere between a ceiling—and I am throwing numbers around—a ceiling of $2,900 to $3,000. Our experience has been a ceiling of that and a minimum cost of somewhere around $2,000.

We are far below the average cost of the traditional system in terms of doing this kind of work.

Senator **Metzenbaum**. So you are saying something between $2,000 and $3,000 per individual.

Mr. **Jolly**. That is correct.

Senator **Metzenbaum**. All right. Thank you, Mr. Jolly.

Mr. Lawrence Brown, President of 70001 Training and Employment Institute.

Mr. **Brown**. Mr. Chairman, I am Larry Brown, president of 70001. It is also my honor to be chairman of the National Youth Employment Coalition, representing 60 agencies nationwide, working on the problem, including those represented by my colleagues at the table.

If I may submit my written testimony for the record, Senator Metzenbaum.

Senator **Metzenbaum**. It will be included in its entirety.

Mr. **Brown**. Thank you, sir.

I would like to just comment briefly on the four questions that I think you have asked us to address and leave the rest to your questions, Senator.

First of all, you asked the question what programs work. I am going to echo a comment that is going to be a response to almost all of your questions. I almost do not care anymore what program works. We have found out that probably any program works if it is well-managed and staffed by dedicated, caring staff people.

So my first response to that question is, as we approach either new legislation or some adjustments to existing legislation, let us make absolutely sure that we dedicate some effort to training and supporting the staff people who work in those programs, so we let those staff people know that they are worthy, that they are esteemed, and that they are among the most important workers in this country.

How many of us in this room are who we are today because we were affected by one teacher, or one minister, or one friend?

So, the programs that work are those that are most well-staffed and most well-managed. Certainly, they are multidimensional. You have heard about some programs today, and you will hear about more.

They are also programs that meet young people on their own terms. Sure, once we engage a youngster in a program, we may be able to apply specific skills training and get them involved in occupational training. But the programs that are on the street, those represented by OIC and Urban League and by 70001, those that go to young people where they are—Reverend Jackson said the indigenous programs—are those that are most effective.

Your second question was how do you build self-confidence and motivation. I have got the same answer for you. Build self-confidence and motivation among your staff people; train them and support them. The way we like to think we motivate young people at 70001 is to motivate staff. An enthusiastic, excited and caring staff person will make the greatest change in young people's lives.

And in the program itself, establish clearly communicated steps; be realistic; provide recognition and praise. Push those young people to the limits, because they are ready to do it. They have been pushed to the limits in the streets. Let the young people exercise leadership. There is nothing more valuable to a young person's potential—and you heard Dwayne express it this morning—than to let them know that they can lead and they will be heard.

And finally, teach them to fail. Let those young people know it is okay to foul up, that they will not be condemned, that they will not be rejected, that they will not be told they are no good.

Your third question was how do we do it cost-efficiently. Are you asking me do I mean how to do it at a low cost, or do you want to know how to do it at value? What does that question mean, cost-efficiently? You cannot do it at a low cost.

Reverend Jolly is proud that OIC can do it at $3,000. I am proud that we work with people at $2,000. If you really want to reach young people, start thinking in terms of $10,000, and do not think just in terms of pre-employment training or career intern programs; but think in terms of day-care, transportation, support services, health care; think in terms of—you, Senator, used the word "reclaim". If you want to reclaim these young people, it goes well beyond the $2,000 or $3,000 a year. It goes well beyond simply job placement.

Do it right, with a focus on long-term placement. I am frustrated that after eight years of running employment training programs for young high school dropouts, after 60,000 young people, I am frustrated to think we cannot do at 70001 what we ought to do for youngsters, and that is basic education and training, not rapid job placement. It will not be inexpensive.

Let me commit one final heresy with respect to the matter of cost. Do it nationally, administer it nationally. If you want programs that are generally effective, administer them generally through local Private Industry Councils—and the Job Training

Partnership Act is generally effective. But you are talking about a specific group of youngsters that need specific help.

At this table, and among the members of the National Youth Employment Coalition, you have some of the most talented and committed agencies in the country, who know specifically what to do. Whether you administer it centrally through your government or through your national organizations, administer it centrally. It will be more cost-effective.

Your final question, how do you get business involvement? Very simply—ask for it. I do not agree with Reverend Jackson. Business will respond. The Statue of Liberty got renovated and endowed not because it was a worthy cause, but because somebody asked the senior business leaders to do it. Like raising dollars from the private sector, sometimes if you simply ask, you will get it. After you have asked for that leadership and found it—and it will take someone like you, Senator, or someone from the nation's capitol to do it—once you ask for it, have a clear and specific request for action, do not simply ask for help; ask them to do this on this day, at this time, with this effect. Go to them and talk to them.

I have been astounded at how much private money I have been able to raise to support high school dropouts simply by going to the private sector and asking for it. It takes time and patience, and it takes a clear request. Provide a return; get them invested and involved. They will not give unless they can get a return.

Lee Iaccoca may have a great interest in the Statue of Liberty, but I suspect he did what he did because he had a greater interest in Lee Iaccoca. Give them a reason to be involved.

My conclusion is very simple. If you do nothing at all, I want you to alter the conversation, I want you to change the terminology. You were very careful in your opening statement, Senator, not to use the words, "disadvantaged youth", not to label.

I am so frustrated at the terms being applied to the youngsters rather than to the system. And if we can begin to do anything, let us alter the terminology.

The five young people you saw here today represent 50,000 others in programs at this very moment, and 500,000 and 5 million others who have been in programs. They are not disadvantaged youngsters. They are not disenfranchised, they are not disconnected. They are simply young Americans. They are young people with the same hope, resiliency, desire to be a part of the American mainstream, whatever that may be, that you and I have. And if we can begin to apply the negative labels to the system, and begin to recognize the youngsters for the wonderful young people they are, notwithstanding what they have been through, if we can begin to get them to think of themselves as they obviously do as positive young people with potential, then obviously we will have begun to make a change, and the system will fall in place behind.

Thank you.

[The prepared statement of Mr. Brown follows:]

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TESTIMONY

Before Senate Subcommittee on Labor

Senate Committee on
Labor & Human Resources

Presented by:

Larry Brown, President
70001 Training & Employment Institute

February 17, 1987

'NTRODUCTION

Mr. Chairman, distinguished members of the subcommittee, I am Larry Brown, President of 70001 Training & Employment Institute and Chairman of the National Youth Employment Coalition. I appreciate the opportunity to be with you today and address the issue of unemployed and disadvantaged young people. Mr. Chairman, thank you for focusing public attention on this important matter.

70001 Training & Employment Institute is a private, nonprofit corporation whose purpose is to increase the employability of economically disadvantaged youth. For the past 18 years it has been our privilege to provide education, employment preparation, motivation and job placement services to over 50,000 disadvantaged high school dropouts.

Most 70001 program participants, called Associates, have dropped out of high school and are economically disadvantaged. Thirty-five percent receive public assistance, and over one quarter have dependent children.
They are a group of hopeful, eminently worthy young people perched on the brink of life-long public dependence.

70001 serves these youth through partnerships with Private Industry Councils (PICs), vocational schools, secondary schools, universities, organized labor, and other community-based organizations such as the Urban League and Boys Club. We currently operate 60 programs in 23 states.

SUMMARY OF THE PROBLEM

For the first time in history, the economists and the social libertarians have found something to agree on: the training and education of all citizen's is vital to America's economic well being. What was once a unilateral desire to reduce welfare costs has become a multi-dimensional cry to protect, develop and restore America's competitiveness in the world market.

As national labor demands increase, we will depend upon many of these youth to fill jobs so that our nation will prosper.

* One child in four is born into poverty in this country, one in five will live their entire life in poverty.

* It is estimated that over 700,000 youth drop out of school each year. Another 300,000 are chronically truant. In Philadelphia the dropout rate is 38 percent. In Boston it is 43 percent. It's the same in most cities as well as rural areas throughout Appalachia. Prisons and unemployment roles are filled with high school dropouts. The economic burden they place on society is obvious; unfortunately, the problem grows worse.

- Since 1980, the percentage of children in poverty has increased from 16 to 21 percent and crime, substance abuse, unemployment and illiteracy are the traveling companions of poverty.

This nation's most recent effort to help the disadvantaged reach their personal and economic potential is The Job Training Partnership Act (JTPA). Passed with the promise that it would out distance its predecessors in effectiveness, JTPA while an improvement, has not reached those who are most in need -- particularly youth.

JTPA mandates that 40 percent of its funds be targeted to economically disadvantaged youth. The law also requires that high school dropouts be served proportionate to their representation in the eligible population. However, according to the Department of Labor's most recent data for program year 1985 (July 1985-June 1986), the most well educated of the eligible population, rather than the least, are most likely to receive services.

For example, 51 percent of JTPA's eligible population are high school dropouts - However only 28 percent of JTPA's participants (including youth and adults) are dropouts.

We know that early investment in low income children -- for example the Head Start and Chapter I programs -- can and do make a big difference, and more must be done to keep youth in school before they leave. In fact, 70001 is beginning to test dropout prevention models in select schools in Appalachia. Today, however, I will focus my comments on the elements that 70001 has found most successful in educating and motivating economically disadvantaged high school dropouts.

PROGRAMMATIC SOLUTIONS

What works best? Programs must be multifaceted including strong outreach and recruitment efforts; educational and skills assessment; individualized, competency-based training; a thoughtful motivational component; job placement and follow-up services; strong community linkages with businesses and other groups to provide coordination of services and program longevity; and supportive services such as child care. Above all, education and remediation must take precedence over job placement.

- OUTREACH: There must be a strong outreach and recruitment effort in order to reach dropouts.
  These "streetwise" youth are cynical, skeptical but perceptive. They are recruited most successfully by community-based organizations and staff from the neighborhood in which they live.

- **ASSESSMENT:** Youth must be assessed to identify existing and potential barriers to employment. Without assessment, it is impossible for service providers to respond to the individual training needs of the participant. The participant should receive an education and career assessment of thier goals, ambitions, and skills. Counseling should be provided to the individual to facilitate this process.

- **A SELF-SUFFICIENCY PLAN:** A plan should be designed, with the client, which sets measured goals for the youth to develop the academic, personal and employment skills needed to reach self-sufficiency. 70001 develops such plans through Educational Service Centers that provide self-paced, competency-based instruction to youth for whom traditional educational methods have failed. The goal of the 70001 Educational Service Centers and the goal of every program for youth should be to improve the fundamental math and language skills of each participant. The gains will differ for each young person. Even one grade level gain in reading has value that can exceed a short-term, entry level job.

- **MOTIVATION:** Most youth who participate in our programs have diminished self-esteem. They don't feel good enough about themselves to even contemplate success. Unless a program makes provisions to improve the self-concept of each participant, broad success is impossible. It is not as simple as presuming that successful completion of program components will make every youth feel better about themselves. Motivation requires patent as well as latent program elements that address the staff as well as the participants. In fact, 70001 believes that the key to motivating youth is to motivate staff people. Staff should be treated as professionals, receive adequate salary, have good working conditions, and participate in ongoing training and professional development. Programs that take these elements and build a curriculum and organization such as the 70001 Career Association will foster growth both in the staff as well as the youth.

- **JOB PLACEMENT:** Job getting, keeping, and changing skills are vital. Few youth will or should stay at the same job for long periods of time. Because of this, they need to know how to leave their current job and find a new position in a responsible manner. 70001 teaches youth these skills through a series of pre-employment training sessions. In addition, 70001 provides 90 days of follow-up services to offer assistance if problems arise. As a result, we consistently maintain high placement rates -- nationally, our placement rate is 68 percent. Follow-up also provides a mechanism for staff to maintain ties with youth so that when they need assistance they feel comfortable about returning to a supportive "home base".

- **COMMUNITY-LINKAGES:** Links with local businesses and community groups are essential to program stability and coordination of services. For example, to facilitate these relationships in 70001 each program has an Advisory Council composed of members who represent area businesses, schools, and human service agencies.

- **SUPPORTIVE SERVICES:** The last major component of a model program is supportive services. Disadvantaged youth will not participate for an extended period without supportive services such as child care, transportation, medical assistance, and counseling.

Those are the program elements that will best serve disadvantaged youth. I wish I could report that every 70001 program had them. I cannot! Why? Because, local private industry councils -- which provide the lion's share of support to our programs -- focus on the shortest, least costly result which is rapid job placement. Federal performance standards encourage it, state job training councils promote it, and local PICs enforce it. I believe everyone would like to see it otherwise -- to see education and remediation rewarded -- but the system just doesn't work that way.

LEGISLATIVE RECOMMENDATIONS

I won't pretend to know how to solve the budget problem so permit me to limit my recommendations to improvements that can be made with existing resources.

First, I ask Congress to avoid financing new programs with "unspent JTPA funds". Due to the vagaries of unit-priced contracts and diverse local planning cycles, funds may appear to be unspent but in fact, are committed.

Consider that last summer the Administration and Congress cut the Summer Jobs Program by $100 million because it was assumed that there were excess carry-over funds in the system. However, in the end $100 million in unspent funds were not found, there was less than $60 million. As a result, over 43,000 disadvantaged unemployed youth lost the opportunity to work. Furthermore, political support has appeared to erode for the summer program and next summer only $636 million will be available -- eliminating opportunities for an additional 145,000 youth. The bottom line, almost 200,000 poor children were hurt by ill-founded assumptions about excess funds.

JTPA currently serves fewer than ten percent of the eligible population. If under spending occurs, we recommend that available funds be reallocated to areas that could put the resources to work serving people.

Policy Improvements:

I applaud the Department of Labor's recently announced AFDC Youth Initiative. Under this proposal, local areas would be encouraged to operate year-round programs targeted to youth who receive AFDC. We recommend that Congress take this one step further.

Create a year-round comprehensive youth program by providing incentives to local areas to combine 40 percent of the Title II-A basic grant allocation -- which must be spent on youth -- with the Summer Youth Employment Program to the benefit of all disadvantaged youth.

These two funding sources when combined would enhance focus on the longer-term needs of youth. This plan would also help local areas meet the mandate that 40 percent of the Title II-A funds be spent on youth.

The benefits of this system are manifold:

* Existing funds could be used more effectively -- JTPA and Summer Jobs Program.

* The initiative would be locally designed by Private Industry Councils in order to meet long-term needs. A new service delivery system would be unnecessary.

* It would assist those most in need -- high school dropouts and disadvantaged youth.

* It would directly address the problem of summer "learning decays" among minority youth.

In order for the proposed youth program to be successful, we also recommend the following legislative and administrative changes to JTPA.

Performance Standards:

We applaud JTPA's focus on performance. However, standards which emphasize cost per entered employment and entered employment rates for youth miss the point. Job experience for youth is important as a means toward long-term skill development but not as an end in itself.

For youth it makes more sense to measure individual learning gains and to reward providers who accomplish them. Youth should be encouraged to progress as far as possible toward the attainment of their individual, self-sufficiency plan. States and service delivery areas should be rewarded for the degree to which they help youth attain self-sufficiency. The needs may vary widely.

For example, a 17 year-old disadvantaged in-school youth might only need assistance with job finding, placement or a referral to a college student aid counselor.

However, a 19 year-old high school dropout with dependents, on AFDC and reading at a 5th grade level will need extensive services.

For too long, employment and training programs have solved youth unemployment problems by pigeon-holing youth into job slots and not addressing individual needs. As a result we have the dichotomy of a growing "underclass" and a shrinking workforce.

Federal and state governments currently operate a variety of under-funded and ill-coordinated programs. JTPA is but one program in the arsenal to serve the youth population. If Private Industry Councils choose to conduct the comprehensive youth program recommended above, they should also be granted the authority to coordinate other existing programs. For example, vocational education, adult basic education, Work Incentive Program, vocational rehabilitation, juvenile justice and delinquency prevention, and Chapter I could be made more effective if operated in complement with each other.

Private Industry Councils should coordinate the federal and state programs to ensure maximum utilization of existing resources.

Enforcement of existing laws:

JTPA should be amended so that when laws are not being honored, sanctions are imposed. Examples of areas where the law is not being followed include:

-- The 40 percent youth expenditure requirement;
-- The equity of services to high school dropouts mandate; and
-- The requirement that SDA's meet performance standards.

When PICs are not in compliance, swift penalties should be imposed.

Technical Assistance:

The Labor Department currently invests in information and technical assistance through direct services and contracts with a variety of public, nonprofit, and private organizations. Yet the current system often fails to address the most pressing needs because direct service staff lack ability or resources. JTPA does a good job of training top state and local staff. However, a major shortcoming is the lack of training and technical assistance to staff of organizations which directly work with clients as service providers.

The quality and motivation of staff people is often the single most significant precursor of success for youth. Yet, service providers are frequently overworked and under paid. We must provide greater support to their professional development. Congress partially corrected this problem when it amended JTPA last year and permitted states to provide preventive technical assistance. However, most states do not allow training to service providers.

The State of California is an exception. Through contracts with 70001, Brandeis University, and others, the state will train over 1,000 line staff to improve their youth programs. Washington and Oregon have also made efforts to ensure that all levels of the JTPA system have the best tools possible in providing services to youth.

However, some states are not attending to these needs. Professionalism in the field of employment and training is something that Congressional action can greatly enhance.

CONCLUSION

In conclusion, I feel the JTPA system is fundamentally sound and responsive to priorities set by Congress and the Administration. However, we can do more.

** Congress should amend JTPA to create a locally developed comprehensive youth employment program that combines local, state, and federal resources. It should be individualized and competency-based so that both long-term and short-term barriers to economic self-sufficiency are addressed.

** One planning body should be established to coordinate federal and state programs to ensure maximum utilization of existing resources.

** Congress must enforce targeting of resources to those most in need. JTPA should be amended to ensure that existing laws are enforced with respect to 40 percent youth expenditure requirement and equity of services to high school dropouts.

** Congress should place a greater emphasis on education restating and reinforcing what is expected of programs that provide services to youth.

** JTPA currently serves fewer than ten percent of the eligible population. If a problem with under spending arises, we recommend that funds be reallocated to areas that could put the resources to immediate use. Do not use JTPA funds to fund other programs.

I thank you again for your leadership and concern for the disadvantaged youth of this nation. Be assured that 70001 stands prepared to assist you in any way possible.

Senator METZENBAUM. Mr. Brown, what is the payback for business to help the hardcore unemployed?

Mr. BROWN. Obviously, if we believe the demographers, we are running out of young people. That is why I think it is easy to drop the labels. If American business needs these young people, and if they recognize there is going to be a labor shortage, they need every one of them.

The chairman of my board, Mr. Bill Brooks, general director of administration, said it rather simply. He said as a businessperson, we pay three times for these young people. We pay in taxes, we pay in the retraining costs, and we pay in the public support costs to help train them. If we can put them to work, we eliminate at least two of those costs.

Senator METZENBAUM. There have been some suggestions made that programs such as the one that they had so many years ago, maybe in the forties, I think, which was called the Citizens Military Training Corps—forgetting about the word "military"—but it was a citizens training corps, where you went out and took young people out into large reservations and had programs there of training of various and sundry kinds.

Is there any merit to considering that kind of an approach?

Mr. BROWN. Only if you will permit me to forget the word "military."

Senator METZENBAUM. I permitted you; I made that the premise.

Mr. BROWN. I think so, with one exception, that I do not know whether to believe the demographers or not. If, in fact, we face labor shortages, does it not make more sense to align our training systems, to consolidate them and coordinate them as Reverend Jolly suggests, to make absolutely sure we are training those youngsters for what is apparently going to be available jobs.

Now, if in fact the demographers are not quite correct, or if there are a group of young people who, with whatever training, will not be ready to go to work in those private jobs, then yes, it makes absolute sense to pay some sort of attention to national service.

Now, bear in mind that if you ask me that question, I apply it to all young people, not just young people that we might otherwise call disadvantaged or needy; that if there is some sort of public service, I would espouse it be applied to all youngsters.

Senator METZENBAUM. Mr. Jolly?

Mr. JOLLY. Senator, I think that the danger of stereotyping would also have to be taken into consideration. We ran Job Corps Centers, and the youngsters would go into town. Many times just because of the press and bad images and a few mistakes, perhaps, that were made in the growing process, our youngsters felt isolated, and they felt the negativism of that isolation.

The key, wherever we put them—because I think that there is full opportunity for some youngsters to, as they say, have a change of venue, to take them somewhere else and put them in a different environment so you shape their minds and their hearts, and you do a number of other things with them. But the bottom line really is what happens to them when they leave that particular training and that particular environment, and whether or not they are moving back into the mainstream of our society with the kinds of skills that would allow them to be competitive on a daily basis.

You would be surprised how knowing what is at the end of the line will do to motivate youngsters. I mean, we do this every day. We send them to the Air Force Academy, we send them to West Point, we send them to Annapolis. But you see, that is a level of training that, when they come out, they are totally accepted, and they are able to move into the mainstream with these kinds of skills and training, whether they are military or otherwise.

So the key is not so much in the isolation. The key is in the substance of the training and what it is they will be doing and whether they will have useful lives and useful skills once they leave that kind of environment.

Senator **Metzenbaum**. Mr. Yzaguirre, I am going to take a 2-minute recess and come right back.

[Short recess.]

Senator **Metzenbaum**. Mr. Yzaguirre, please proceed.

Mr. **Yzaguirre**. Thank you very much, Mr. Chairman.

My name is Raul Yzaguirre, and I am the president of the National Council of La Raza. We are an umbrella organization for about 100 community groups around the country that serve about one million Hispanics, and we are very pleased to offer testimony.

I have prepared testimony, and with your permission, I would like to enter it into the record.

Senator **Metzenbaum**. It will be included in the record.

Mr. **Yzaguirre**. Thank you.

I would just like to make my comments very brief and right to the point. Let me start off by saying that I very much empathize with the problem we have at hand. I ran away from home when I was 13; I dropped out of school. I was fortunate enough to succeed and realized that that was not what I wanted to do; that what I needed to do was to go back to school and serve my community, and that is what I have done.

But my community, the Hispanic community, is suffering some very serious problems. We have the highest dropout rate in this country; we have the highest illiteracy rate; we have the lowest educational attainment of any group in this Nation—and the problem is getting worse.

Last year, we became the population that had the lowest per capita income of any community in this country. The poverty rate in our barrio's, and especially among children in our community, has increased dramatically, and the problem seems to be getting worse and worse. Our ability to get attention, to garner interest, to get decision-makers to pay attention to Hispanic youth problems, has been limited. So we need leadership and we need energy applied to this serious problem.

What we try to do is tell the media why they should be interested, we tell policymakers why they should be concerned about Hispanics, why they should be concerned about youth in the larger sense.

The point has been made that we have a shrinking youth population and that we may have a labor shortage. That indeed may be the case. What is also true is that we are going to be having an increasingly large proportion of new labor entrants who are minority; perhaps one out of three of every new person entering the labor force will be a minority. More than likely that minority will be an Hispanic in the future.

And if we are not investing in our future, then we are not going to yield the results that we expect to get. We need to understand the economic reality that we are not going to be able to compete with countries like Japan; that we are not going to be able to outproduce low-wage workers simply by offering lower wages in this country, now simply by our super technology, because the rate of technology diffusion, that is, the amount of time that you can monopolize your own inventions is decreasing. We invent something, and Japan has it within a few years.

We also try to make the argument that we are talking not just about altruism. It is right and it is just that we be concerned about disadvantaged youth and poor people, but it is also very, very much in our own national self-interest.

When we started expanding our Social Security system in 1952, there were 17 workers supporting every retiree. By 1992, we are going to have three workers supporting every retiree. And if we do not have those workers who can earn high wages, who can keep the American standard of living high, then those older folks who are voting against bond drives or bond initiatives or bond issues for schools are the ones that are going to be experiencing the impact. We are not going to maintain our Social Security system unless we have the worker-base for it.

Senator **Metzenbaum**. Thank you, Mr. Yzaguirre.

[Statement follows:]

TESTIMONY ON
UNEMPLOYED DISADVANTAGED YOUTH

Presented by

Raul Yzaguirre
President
National Council of La Raza

Before the

Senate Subcommittee on Labor
of the
Senate Committee on Labor and Human Resources
United States Senate

February 17, 1987

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NATIONAL COUNCIL OF
LA RAZA
OFFICE OF RESEARCH
ADVOCACY AND LEGISLATION

I. INTRODUCTION

Mr. Chairman, members of the Subcommittee, my name is Raul Yzaguirre, and I am President of the National Council of La Raza, one of the largest national Hispanic organizations. The National Council of La Raza exists to improve life opportunities for Americans of Hispanic descent and is a private, nonprofit organization representing over 50 local Hispanic community-based organizations in 32 states, Puerto Rico and the District of Columbia. The National Council of La Raza has a long standing commitment toward improving the training and employment opportunities available to all Hispanics. The status of youth in our community has been a special concern, particularly because of severe barriers faced in the area of educational achievement. Many of our affiliates have a history of providing employment and training services under the Comprehensive Employment and Training Act (CETA), and today several of them are service providers under the Job Training Partnership Act (JTPA). I appreciate the opportunity to appear before you today to offer testimony on the issue of unemployed disadvantaged youth.

II. CHARACTERISTICS OF HISPANIC YOUTH

Profound demographic changes are taking place in the composition of the U.S. labor force. The "baby bust" shrinkage of the labor force is most marked among Americans 16 to 24 years old, many of whom are entering the labor market for the first time. The Bureau of Labor Statistics projects that from 1984 to 1990, the number of workers in the 16-to-24 age bracket will decrease by 2.7 million, to 21.3 million; from 1990 to 1995, the size of that group is expected to drop by an additional 1.1 million. The demographic decline in young workers, however, is not projected for minority communities. Relatively higher fertility rates among minorities, especially Hispanics, will guarantee a large cohort of individuals in the 16-to-24 age bracket, and the growing proportion of minorities in that age group indicates that minority workers will account for an increasingly large segment of the future labor force. Demographic projections indicate that by 1992 there will be only three workers to provide benefits for each social security recipient, compared to 17 workers per recipient in 1952. Furthermore, one of these three workers will be a minority group member.

These projections take on very ominous overtones when viewed in light of the conditions for many Hispanic youth today. In 1985, while the total annual unemployment rate for youth was 18.6%, the unemployment rate for Black youth was 40.2%; for Hispanic youth it was 24.3% and for White youth, 15.7%. Among the barriers to successful participation in the labor market are low levels of educational attainment, a very high dropout rate, and a very high incidence of poverty. As of 1984, the proportion of high school graduates among Hispanics 25 and over was 48%, far below the 76% for non-Hispanics. Not only do Hispanics drop out at a higher rate than other groups, but they drop out of school earlier. Thus, Hispanic dropouts typically have lower educational attainment than do other dropouts.

Hispanic youth experience poverty in numbers far exceeding their representation in the overall population. While Hispanic children represented only 9.1% of all children in 1983, they represented 15.6% of all poor children in that year. A correlation exists between poverty and basic skill levels of a youth. The more severe the poverty, the greater chance the youth has of experiencing basic skill deficits, which lead to high unemployment and low wages.

III. CONCERNS WITH JTPA

The growing demands of disadvantaged youth for limited employment and training resources will severely test the capability of JTPA and its decentralized system. As the youngest population group with the highest dropout rate in the country, Hispanics have a special need for youth employment programs. JTPA has been praised as an example of "New Federalism" as it unites the public and private sectors in the delivery of employment and training services. However, several problems have become apparent over the first four years of JTPA which have a significant impact on Hispanic youth. These include:

- Underspending on services to youth. Though JTPA mandates that 40% of all Title II funds be spent on youth services, most Service Delivery areas (SDAs) have failed to meet this requirement.
- Utilization of low-cost, short-term programs. Performance standards and limited resources have led service providers to implement short-term programs which operate at the lowest possible cost, and cater to the most job-ready participants.
- "Creaming." Related to the imposition of stringent performance standards, those in need of more extensive job training and basic education have been excluded from many JTPA programs. This is particularly true for dropouts. Under JTPA, services for youth have been primarily targeted to in-school youth or high school graduates.

Untrained youth are likely to follow the cycle of underemployment, structural unemployment, and increased use of welfare services. Victims of chronically high unemployment rates do not get the job experience and good work habits that job holders have, making it still more difficult for them to find employment in the future. This problem is particularly acute with young people, who generally have higher unemployment rates than adults. Their lack of work experience reduces productivity and the ability to obtain stable employment in the future. Therefore, the rate of structural unemployment will rise over time, regardless of economic conditions, unless action is taken to address this problem.

IV. POLICY RECOMMENDATIONS

A. Department of Labor AFDC Youth Proposal

The Department of Labor (DOL) has presented a proposal that seeks to better target JTPA services on the welfare youth population in order to break the cycle of welfare dependency. The DOL proposal allows greater flexibility for localities in implementing "enriched" programs for AFDC youth during summer months or on a year-round basis. The Department of Labor is to be commended for its proposal to revise JTPA in order to better serve at-risk youth. However, the proposal remains fairly general, and thus hopefully leaves room for some modifications. The National

Council of La Raza offers several suggestions and considerations in the development of any proposal to revise the JTPA legislation as it applies to disadvantaged youth.

First, the notion of flexibility included in the DOL proposal in developing and implementing any youth employment and training program is an excellent one. Local SDAs need to be able to formulate programs, whether they be year-round or the traditional summer programs, according to the needs of the youth in their community. If local entities are allowed flexibility to design programs which better coordinate and target resources to the most disadvantaged, this may facilitate meeting expenditure requirements under the JTPA legislation as well. However, along with such flexibility must come sufficient oversight and enforcement to ensure that expenditure and targeting requirements are met.

Second, targeting resources to AFDC youth is a welcome proposal. As you know, the National Council of La Raza supports Senator Kennedy's bill (S.514) which seeks to better target long-term AFDC recipients through JTPA. We cannot stress strongly enough the importance of breaking the cycle of unemployment and welfare dependency. However, many very disadvantaged individuals do not utilize AFDC or other welfare programs to the extent that they are eligible for these. This is particularly true for the Hispanic community. Therefore, it is imperative that resources are targeted to all disadvantaged youth, not only those in AFDC families.

Third, the general concept of an "enriched program design" which mandates an assessment of individual youth participants' needs and, when needed, basic and remedial education, counseling, skills training and support services deserves attention. These are all program characteristics which we advocate in our proposals to improve JTPA.

B. Considerations Related to the JTPA Amendments of 1986

While the 1986 amendments to JTPA represented an important step toward reaching the most disadvantaged segments of the population, we need to go one step further. The remedial education component for summer youth programs and the mandate to establish literacy and dropout prevention programs and school-to-work transition services are valuable amendments. Specific and generous funding percentages should be defined in the legislation to ensure that SDAs, who are already operating on severely limited budgets under strict performance standards, find the resources to adequately implement such programs.

Also under the 1986 amendments, the required establishment of written goals and objectives for the remedial education program is an important aspect of improved services to youth. Once again, however, without specific funding requirements, these may become merely symbolic and unenforceable gestures, especially given countervailing pressures that encourage creaming.

C. Other Considerations

We would like to emphasize the need for adequate remedial education and English literacy services. These are particularly crucial to Hispanic youth; one study indicated that approximately 80% of Hispanic high school seniors cannot read well enough to understand their high school textbooks. Currently, English literacy services and basic education are not a priority activity, and thus Hispanic youth are not likely to be adequately served under JTPA.

One mechanism which would facilitate the provision of such services is the increased utilization of Hispanic community-based organizations (CBOs) as service providers. These community-based groups provide a crucial link between Hispanic youth and mainstream education and employment and training institutions. Bilingual/bicultural programs should also be available as a part of employment and training activities, both to help limited-English proficient youth learn English and to improve youths' self-esteem. Hispanic community-based organizations are uniquely capable of providing greatly needed language proficiency and supportive services.

A system which encourages SDAs to utilize these groups as service providers should be incorporated into JTPA. This system would involve several components. First, a revision of performance standards which would allow service providers (CBOs in particular) to offer long-term, extensive remedial education and basic skills training to those most in need of services is necessary. Second, the methods of providing incentives to SDAs to utilize CBOs as service providers should be explored. One method might be based on the concept in Senator Kennedy's proposal which rewards, through bonus funds, state programs that effectively train AFDC recipients in the JTPA program and gets them off welfare rolls. There, we proposed that in the distribution of bonus funds, special consideration be given to service providers who provide successful remedial education programs, including literacy training, in addition to adequate support services for participants. In the case of unemployed youth, we suggest that similar incentives be provided to encourage utilization of CBOs and other service providers who successfully prepare youth (AFDC and other disadvantaged youth) for long-term unsubsidized employment.

We know that public employment programs providing part-time or summer jobs, often in cooperation with the nongovernmental sectors, have been successful in facilitating the entry of poor and minority youth into the labor market. Work experience programs, combined with remedial education and job placement, have had a positive long-term impact on disadvantaged youth, and therefore should be a priority under JTPA.

The Youth Incentive Entitlement Pilot Projects, funded as part of CETA (1978-80), are an example of a successful youth work experience program which prescribed school attendance and academic performance standards. The pilot projects provided a full-time, private-sector summer job to disadvantaged youth upon their promise to stay in school during the academic year. Participants were also provided a part-time job during the school year. Evaluations of this effort reveal the strong motivational force of subsidized employment opportunities, triggering a 50% increase in labor force participation rates among minority youth and inducing nearly three in four eligible minority teenagers to accept and hold jobs for a year or more. This program was possible only because of the financial commitment of the federal government, and provides a model which should be replicated.

Finally, a major concern among some researchers is that the few data on Hispanic youth are inadequate and there has been very little funding for analyses of youth programs as they affect the ability of Hispanic youth to overcome barriers to employment. In order to implement effective youth programs for Hispanics, it is necessary to develop a greater understanding of the causes and problems which preclude their successful participation in the labor market. One possibility is the establishment of a national Hispanic youth employment demonstration program which would conclusively elevate the plight of Hispanic youth in the field of employment to national significance and attention, and establish a testing ground for innovative programs and strategies designed to address the special problems and needs of Hispanic youth.

IV. CONCLUSION

Federal job training funds have been slashed by 58% during the past six years. These cuts represent a reduction in human capital investment which will have costly long-term impact on federal revenues and entitlement expenditures for years to come. This disinvestment must be reversed to prevent high unemployment and an inadequately trained work force in future years. A well-trained future labor force, comprised increasingly of Hispanics, Blacks and women, will result in dual societal benefits — increased revenues for programs such as Social Security and other domestic programs and decreased expenditures for public assistance programs. The debate over the employment and training system and its intended beneficiaries is no longer limited to the issue of equality of access. Demographic realities and economic consequences should now be a strong inducement for achieving an effective federal employment and training policy responsive to the needs of Hispanics and other disadvantaged youth. It is clear that funding for JTPA and other programs that serve disadvantaged youth must be increased.

Funding issues aside, however, JTPA must be reformed. The problems of creaming and underspending on youth programs must be addressed. Greater flexibility, improved targeting and enhanced outreach programs for youth will help remedy these problems. Emphasis on long-term remedial education, literacy training and basic skills training programs is critical if we are to adequately serve the neediest youth. Oversight and enforcement of existing mandates must also be improved. Community-based organizations must be included in the delivery of services to the most hard-core unemployed and undereducated youth. Finally, work experience opportunities must be greatly expanded if disadvantaged youth are to successfully participate in the labor market.

As always, the National Council of La Raza stands ready to work with the Chairman of the Subcommittee on these and other proposals. We will gladly answer any questions you may have regarding our testimony. Thank you once again for this opportunity to appear before the Subcommittee.

Senator **Metzenbaum**. I have two last questions, one for you, Mr. Jolly, and one for you, Mr. Yzaguirre.

Has that portion of the black community that has "made it" indicated a willingness or any strong effort to provide leadership in helping with this problem? And I will ask the same thing of you, Mr. Yzaguirre, in connection with the Hispanic community.

Mr. **Jolly**. Well, I do not know any member of the black community who has really "made it"——

Senator **Metzenbaum**. Well, I do.

Mr. **Jolly**. I think there are some who have been far more successful than others, including myself. But we face the challenge every day of justifying our existence. But to get to your question, the question really is answered by saying yes, but there is so much to be done.

The problems are so broad, and they are so deep. One thing I found out about poverty, working in it for 22 years with Leon Sullivan, but also working in it as a school teacher and as an administrator teaching in the heart of the ghetto, is the more you dig into poverty, the more needs you find. The resources that are needed are just unlimited in terms of addressing all of the specific kinds of problems to save folk.

The black church is responding. I spoke in Knoxville, TN, just on Sunday, and the turnout was tremendous in terms of the need to deal with the black family and to move the black church and the black family back into the mainstream of the lives of our youth. Many things are going on.

The question right now is what we need to do to put a finger in the dike to stop the erosion. The erosion is moving so fast that we need something to put a finger in the dike to stop the flood, and then from that point to move on, to give the church a chance to rebound, to do what it can do, and to give the schools a chance to rebound and do what they can do, and then to give the black family itself, where many of the heads of household are single and female, to give them an opportunity to grab a situation that is deteriorating and move it forward.

Yes, we are sensitive; yes, we are moving forward. But all of us, even from the ones who are now millionaires down to the ones who do not have anything at all, none of us have it made, but we are struggling to make America a better place for all of us.

Senator **Metzenbaum**. Well, my thinking is that a government program that is a partnership with private industry, and private industry knew that there was another group out there—and there are blacks who have done extremely well in the economy, there are some Hispanics who have done exceptionally well in the economy—I am really raising the question and thinking in my own mind of formulating some sort of a funding program where you get it from different people. There is something about raising money, whether it is from the government or whatever, that there is a feeling of sharing; and when the Federal government puts up some money, they like to know the State is sharing in it. In the highway program, for example, you have 90 percent, and 10 percent from the States.

I am trying to think here whether or not the Hispanic community has been interested, has been willing to come forth with any dollars, or whether you think they would be willing to.

Mr. Yzaguirre. They are willing; they have come forth, and I think they will be willing to come forward in the future. But when you have the lowest per capita income of any group in this country, you are going to have some fundamental problems.

But one of the other problems that we have, Senator——

Senator Metzenbaum. Well, that is an average. That is the lowest per capita——

Mr. Yzaguirre. That is absolutely right.

Senator Metzenbaum. But there are some Hispanics who have done unbelievably well.

Mr. Yzaguirre. Indeed, indeed there are.

Senator Metzenbaum. You only have to travel to Miami, Florida to know exactly how well they have done, and I give them credit for it. Many of them are people who I know quite well.

I am just thinking in my own mind how to get something going to prime the pump in order that we can make the pump actually operate.

Mr. Yzaguirre. I think we can evolve some creative ways where one could multiply and leverage some dollars, where one could show that there is a positive effect, where one could show progress. But one of the problems that we have in the Hispanic community, Senator, is that we do not have 120 black colleges; we do not have Hispanic churches throughout the country that we control. We have the Catholic Church, that we do not control. We do not have The Urban League, with a 90-year history; we do not have the NAACP, with a 100-year history.

The point is that institution-building in our community has been slow, and it is going to take a lot of support and a lot of creativity and attention in order to get our institutions, which can become the vehicles for leaders, wealthy or otherwise, to be able to lead our community.

Senator Metzenbaum. I want to thank all of you very much. We have another panel, and I have to finish by 12:30. Thank you very much, and we look forward to working with you.

Our next panel includes William Kolberg, President, National Alliance of Business in Washington; James Hyman, vice president of external affairs, Manpower Demonstration Research Corp., New York, and former President of the Cleveland PIC; and Sandra Hagerty, director of Affirmative Action and Equal Opportunity Programs, Sears, Roebuck & Co., in Chicago.

I am happy to have all three of you with us, and I think you heard my suggestion that we limit each of you to 5 minutes.

Mr. Kolberg, we are happy to hear from you first.

STATEMENT OF WILLIAM H. KOLBERG, PRESIDENT, NATIONAL ALLIANCE OF BUSINESS, WASHINGTON, DC; JAMES B. HYMAN, VICE PRESIDENT, EXTERNAL AFFAIRS, MANPOWER DEMONSTRATION RESEARCH CORP., NEW YORK, NY, AND FORMER PRESIDENT, CLEVELAND PIC; AND SANDRA C. HAGERTY, DIRECTOR, AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY PROGRAMS, SEARS, ROEBUCK & CO, CHICAGO, IL

Mr. **Kolberg**. Good morning, Mr. Chairman.

I am William Kolberg, President of the National Alliance of Business.

When you were talking, Mr. Chairman, about the founding of the Urban Coalition, I thought you were talking about the founding of the National Alliance of Business. We grew out of that same movement in 1968, probably the same people. We have been trying to do our part in working on the problems of poverty, the disadvantaged, and those kinds of things in our society for the last 20 years.

I want to talk about three things, Mr. Chairman. First off, we have prepared a report that we call "Employment Policies Looking to the Year 2000" and I would like to just summarize very quickly what we think are the dramatic outcomes.

What we have found is a dramatic mismatch developing between jobs and people in our society. Clearly, jobs are becoming more technical, more sophisticated. In the 1990's, three out of four jobs are going to require training beyond high school. And yet you look, and you heard this morning from a cohort of the people that are coming into the labor market. They are increasingly poor. They are increasingly from minority groups. They increasingly drop out. As you have said, 1 million of our young people drop out of school every year. A significant percentage of them are functionally illiterate. If they cannot read or write, they certainly are not employable.

So I would say just categorically, school dropouts increasingly are unemployable in our economy and in our society. Any job that an illiterate can do, a machine can do better and cheaper.

Senator **Metzenbaum**. That is a very profound statement. Any job that an illiterate can do, a machine can do cheaper and better.

Mr. **Kolberg**. Cheaper and better.

Senator **Metzenbaum**. That is a very strong statement.

Mr. **Kolberg**. I think we do need to dramatize that, Mr. Chairman. As you look out to the year 2000, that is more and more going to be the situation. To lose one million young people per year from our schools is an absolutely unacceptable situation for our society, and all of us, from whatever sector, really need to be very concerned, and I congratulate you for highlighting and dramatizing that this morning.

The second point I would like to make is that the problems we are talking about have had a long gestation period and will take a long time for us to solve. That does not mean we write off today's generation; we cannot. But what we need to think about is building a set of institutions that, over the long pull, will get the job done.

I am talking now, Mr. Chairman, about the Job Training Partnership Act. Just four years ago, this Congress passed that law which for the first time involved business in the management of local employment and training programs. Ten thousand business volunteers now serve on local Private Industry Councils. Those businesspeople and the businesses they represent, we think are working very hard, and that system is beginning to show results. It will take a long time.

The building of community institutions, Mr. Chairman, as you know so well from your home in Cleveland, is a hard job and takes a long time. But we think over time, one of the answers to trying to get business effectively involved in the problems of the schools, the problems of dropouts, the problems of poverty, is through the Private Industry Councils.

You have heard this morning from programs that work—70001, the OIC's, Jobs for America's Graduates. We spent 20 years developing a set of programs that have been tested and are ready to be put in place, and we think that with the proper resources, the motivation, the partnership—that is our favorite word—the partnership between the public sector and the private sector at the local level, that we can begin to make a much more effective attack on the dropout problem.

The third point I would make, Mr. Chairman, is this point. The dropouts in the year 2000 are now in the fourth grade. And educators will tell you that by the fourth grade you can detect the dropout-prone individuals. In other words, this is a long-term problem. If you have had a chance to look at the Committee for Economic Development's report on Investing in our Schools, they say, and we agree, that the single most important investment we could make today in preventing the dropouts of the future is Head Start and early childhood education. It starts that early. Dropout is merely the end result of a whole set of problems which are long-term and long-lasting.

It is for that reason that, along with the administration and many others, we are engaged in what we call Youth 2000, to see if between now and the year 2000 we cannot change the conditions enough in our society so that those fourth graders today will have a much lower dropout rate, and we can save many more of them.

One last point. We think business needs to get involved in school improvement across the country, city by city, in a very long-term and committed way. The Boston Private Industry Council and the Boston public schools have done that through a compact process. We at the National Alliance of Business want to take that process—which involves quid pro quos, promises on the part of the business community of jobs after graduation, if scores are maintained and people do graduate, promises on the part of the public schools to improve the school system from top to bottom—and replicate it in other cities.

We think that kind of long-term commitment—we are talking 5, 10, 15 years—and a deep commitment and involvement with the public schools is perhaps going to be the most effective thing that business can do to work on the problems of dropouts.

Thank you, Mr. Chairman.

Senator METZENBAUM. Thank you very much, Mr. Kolberg.

[The prepared statement of Mr. Kolberg follows:]

TESTIMONY
OF THE
NATIONAL ALLIANCE OF BUSINESS
BEFORE THE

SUBCOMMITTEE ON LABOR
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

ON DROPOUT YOUTH EMPLOYMENT ISSUES

FEBRUARY 17, 1987

Mr. Chairman, I appreciate the opportunity to discuss the critical issue of youth dropouts and their employment problems, and to join with you in exploring ways of increasing efforts in the public and private sectors to address this critical issue.

I am William H. Kolberg, President of the National Alliance of Business. The Alliance is the only national organization led by, and representing, business in the specific area of job training, employment, and human resource development for the nation's unemployed and disadvantaged.

THE PROBLEM

Today's unemployed youth dropouts face a bleak future unless someone intervenes. They are estranged from schools where they performed poorly and are unable to enter the workforce because a growing proportion of them cannot satisfy the minimum requirements of many entry-level jobs.

In a recent report published by the Alliance entitled *"Employment Policies: Looking to the Year 2000"* (which I will provide for the record), we found that a growing, and increasingly vulnerable, segment of the nation's labor pool is concentrated in areas where schools are inferior and work opportunities are poorest.

The economic and demographic changes we anticipate in the next 14 years pose a challenge to us all. Current data on American youth, and predictions on that data, tell a story of impending crisis and profound economic and social cost:

- The number of high school dropouts, already about one million a year, is expected to increase despite a declining youth population. In some of our cities, the dropout rate is 50 percent.

- Already, one of every four ninth graders will not graduate from high school. One out of every eight 17 year olds in this country is functionally illiterate. For minorities and the poor, the rates are significantly higher. In Japan, in contrast, virtually every high school student graduates, and illiteracy has been reduced to the vanishing point.

- The lives of millions of our young people are marked by crime and despair. Young people under 21 account for more than half of all arrests for serious crimes.

- I hardly have to tell you how drug and alcohol abuse among teenagers have skyrocketed over the past 20 years. During the period 1960 to 1980, arrests of people under 18 for drug abuse increased by an incredible 6,000 percent. Arrests for drunkenness among high school seniors rose by 300 percent.

- Suicide rates for teenagers show similar trends, up by 177 percent for white teenagers during the years 1950 to 1978, and rising by 162 percent for nonwhites during the same period.

- Naturally, the sort of emotional distress that these figures reveal carries over into sexual conduct as well. Over one million teenage girls become pregnant each year, and most of these do not marry. There are almost 2.3 million unwed, or "never married" mothers in the U.S. Only half have high school diplomas, less than 40 percent have jobs, and over half end up on welfare. Teenage pregnancies cost the U.S. over $16 billion a year in welfare expenses alone.

- More than that, millions of children, our next generation, are being raised in poverty. The sad fact is that the number of children growing up in poverty is increasing in this country, up from 16.8 percent in 1975 to 21 percent in 1985. For blacks and Hispanics, the rates are far higher — 46 percent and 39 percent respectively.

- One of the most dramatic effects of poverty is its impact on educational attainment. Only 43 percent of black young people who come from poor homes ever graduate from high school. For whites, the figures aren't much better — a graduation rate of only 53 percent.

- Uneducated young people cannot find jobs. Young people who enter their twenties with neither a high school diploma or work experience are in great danger of spending a lifetime of idleness and frustration. Yet large numbers of our youth, particularly minority youth, find themselves in this situation. For example, scarcely more than half of young black males 16-19 are in the labor force; less than one third are employed; and one fourth have never been employed.

High school dropouts are a difficult group to reach, and a substantial commitment of public funding and support is required if we are to make progress bringing them into the mainstream of our competitive economy.

IMPLICATIONS FOR BUSINESS

Just as in the 1960s, this problem persists despite an expanding economy and increasing job opportunities. Unlike the 1960s, however, we are experiencing a decline in our youth population that should, when combined with sustained economic growth, enable us to make sizable reductions in our youth unemployment rate. Slower labor force growth in the years ahead will restrict employers' choices in filling job vacancies, forcing them to reach further back in the queue to select from job applicants that might have been passed over in previous years.

However, it is possible that school dropouts will not benefit much from these trends. Although fewer entry-level workers will be available, if present trends continue, school dropouts will not be able to meet even minimal skill requirements.

By 1990, an estimated three our of four jobs will require some education or technical training beyond high school. Basic academic skills, problem solving, and interpersonal skills will be increasingly important.

Unless the private sector takes an interest in the quality of tomorrow's workers, both in and out of school, businesses will be faced with increased costs such as greater remediation expenses, lower productivity, higher supervisory time, and poorer product quality. Becoming involved is no longer a social option, it is an economic necessity.

EMPLOYER INTEREST IN DROPOUT YOUTH.

Since the late 1970's, the interest and involvement of private sector employers in human resource issues has increased substantially, due in large part to growing concern about the lack of literate and qualified applicants to meet increasingly complex job requirements. It is also due to federal and state programs, such as the Job Training Partnership Act, which provide business with an important and meaningful role in policy setting and program design, in partnership with local officials. Employers are beginning to understand this problem, and are increasingly committed to doing something about it.

There is a growing concern in the private sector that insufficient investment in human capital will hinder our ability as a Nation to compete effectively in the world market. Consequently, businesses invest billions of dollars annually in training, but most in-house programs are not intended for those who lack a firm grasp on the educational fundamentals. Nor should business be expected to pay for the basic education of young people seeking jobs for the first time. We believe strongly that a partnership between the public and private sectors in developing the education and skills of available workers is essential for economic growth in the years ahead.

The private sector not only has a strong interest in effective employment and training programs for school dropouts, but it has important roles to play in designing and overseeing those programs, for several reasons.

- First, the private sector has the jobs. Over 80 percent of all existing jobs are in the private sector, and this figure is expected to increase in the next 15 years, primarily due to the growth of small business.

- Second, private sector employers have the knowledge of the job skills that are needed in their industries and their geographic areas. They understand local labor market trends that can help to inform appropriate public program designs, training content, and necessary support services. Employers know best what they will need from public training initiatives if they are to be effective partners in achieving private sector job placements for population groups targeted by public policy goals.

- Third, employers have resources to help train motivated participants, once they have basic literacy skills. Some corporations are even conducting their own basic education programs.

- Finally, local private sector leaders can serve an important role as an outside broker, or focal point, to facilitate coordination among various public programs related to employment and training. Very often it is the "neutral" business volunteers who can motivate various public agencies and officials to work more effectively together and coordinate resources more efficiently toward a common goal.

EXAMPLES OF EFFECTIVE APPROACHES FROM CURRENT PROGRAMS.

Several statutory programs and pilot projects are worth noting for their successful focus on dropouts, and form a backdrop for my comments here today.

- *Job Corps*. The Job Corps is perhaps the most studied and documented program in our history. It provides extensive support services such as health care and counseling in a fully supported residential setting. Research has shown that this program increases education attainment, resulting in gains in postprogram employment and earnings, reduces welfare receipt, unemployment payments, and criminal activity, and improves health.

- *Title II-A of the Job Training Partnership Act (JTPA)*. This program, implemented in 1983, provides grants to states and local service delivery areas, each of which must establish a Private Industry Council, to design, implement, and oversee job training programs for the economically disadvantaged. About 10,000 volunteers, mostly from business, serve on these councils. Local areas are required to serve school dropouts, at a minimum, according to their proportion in the eligible economically disadvantaged population. Recent data show that level to be 28 percent of all youth participants. Over half of all dropouts served (53%) enter employment at the end of the program. The programs are custom tailored to the unique labor market and economic needs of the locality. An amendment made to the Act last Fall, targets a higher priority on dropout programs for funds set aside in joint agreements between schools and JTPA agencies. Currently, JTPA title II-A programs provide the most extensive job training services to school dropouts. They provide us with the richest variety of locally adapted program designs. Their success almost always depends on unique combinations of local leadership and resources between public institutions and the private sector. (We have provided your staff with some examples of the programs for dropouts being operated around the country.)

- *JTPA Title II-B Summer Youth Employment Programs*. A recent trend over the last two summers, which was eventually enacted into legislation last fall, is the provision of remedial education or literacy training to youth in summer jobs programs. This effort has been targeted to exactly those youth who have dropped out or are most at risk of dropping out. It is a trend that we think is positive, and one likely to have an impact on the dropout problem as learning decay over the summer and lack of self-confidence in academic skills are reduced.

- *Private Sector Summer Jobs Campaigns*. In addition to the publicly subsidized summer jobs program under JTPA, we participate each year in an extensive nationwide campaign to generate summer employment in the private sector. When coordinated with JTPA summer programs, these summer jobs provide an important complement of private employment experience and expand the opportunities available in each community. Private employers are increasingly willing to cooperate with JTPA efforts to provide basic literacy components or remediation training in combination with work. Employers let youth take time off for this training or provide on-site facilities for remediation. In some areas, employer interest in the remediation component is a *quid pro quo* to encourage improvements in local education programs.

- *70001*. This successful program, which will be better explained by other witnesses this morning, is targeted primarily to dropouts age 16-21 with a mixture of federal funds and contributions from private corporations and foundations. It emphasizes completing the GED program, as well as job search assistance, job preparation workshops, and job search training.

- *JOBSTART*. A new demonstration program for dropouts, with emphasis on employment outcomes rather than high school diploma, is run by the Manpower Demonstration Research Corporation (MDRC). It basically is a test of Job Corps type services in a nonresidential setting. With its mix of funding from business, foundations, JTPA and other public sources, JOBSTART represents the kind of joint participation that is so vital to serving dropouts.

- *Summer Training and Education Program (STEP)*. This demonstration program, managed by Public/Private Ventures, is designed to improve high school completion rates among poor and educationally disadvantaged youth. Youth ages 14 and 15 participate for two summers, with follow-up activities during the school year. They are provided part-time jobs along with 90 hours of remedial education and 20 hours of "life skills" classes on work and parenting.

LESSONS FROM EFFECTIVE STRATEGIES THAT HAVE WORKED

We now have 20 years of research on programs for dropouts. Although the information from many programs does not necessarily highlight "what works" with statistical purity, we can describe with some accuracy the problems of dropouts, the pitfalls they face in the labor market, and which program approaches better serve this population. Despite the appeal of an entirely new approach, a great deal can be accomplished by building on past experience and existing programs.

We see several key principles that comprise the foundation of most successful programs for dropout youth.

- The starting point is most often an emphasis on school completion, resulting in either a high school diploma or a GED certificate. Education is increasingly important for gaining and maintaining employment, unlike entry employment experiences of the past. Services are sometimes provided through alternative educational institutions, apart from the schools dropouts identify with prior failures.

- The programs have high levels of support services for transportation, health care, child care, meals, and extensive counseling (legal, family, personal, and financial).

- Successful programs often combine education with realistic work experience.

- Programs include development of strong work values, good work habits, and the normal coping skills that go into good interpersonal relations that are essential for labor market success.

- Participant motivation is enhanced in programs with a reputation for high job placement or promise of a job guarantee following program completion.

- Programs involve links with private employers. The private sector is not only a resource for jobs, but also can provide guidance on what skills they will need in program graduates, financial resources in local programs, work experience opportunities, and volunteer time to work cooperatively with public institutions on this problem.

Each of these strengths are mixed differently in local program designs. The institutional coordination between education institutions, community based organizations, and the Job Training Partnership Act grant recipients adds further strength to successful efforts.

Part of our work at the Alliance is to find these successful programs, collect information on them, and disseminate the information to other areas of the country looking for program models that they can adapt to their own localities.

It has taken a while for the institutional arrangements and coordination required under the Job Training Partnership Act to mature and begin to focus more attention on dropouts. But we are seeing an increase in programs for this hard-to-serve group.

In our opinion, though, the intractability and complexity of this problem will require persistent efforts to not only better serve the youth of this generation who have already dropped out, but also to undertake a long-term preventative approach.

BUSINESS INTEREST IN PREVENTION AND RETURN-TO-SCHOOL INCENTIVES.

For most at risk youth, the factors that contribute to dropping out are problems that begin early, at a very young age. By 4th grade, we can identify who will drop out.

Educators know already which 4th graders are likely to drop out by the year 2000 unless we do something to prevent it.

The Committee for Economic Development, a national organization comprised of 200 of the Nation's top corporate executives and university presidents, after a year long study on at risk youth, recommended that the single most important investment we could make would be in early intervention programs similar to the model of the Headstart program.

Prevention is at the heart of our culture and our development of youth. The quality of the experience in early education must be improved. The solution to the dropout problem requires a long-term investment strategy.

Employers who understand the alarming trends among school dropouts are convinced that it is important for them to get involved in dropout prevention efforts in their communities. They are frustrated by the declining performance of school systems and feel they can play a role in education improvement.

They recognize that there are no short-term solutions at either the state or federal level. Dropout prevention and alternative services to those who have dropped out is a long term problem that will require persistent efforts at incremental institutional change.

The first wave of education reform that began about five years ago has produced changes in the education laws of about 40 states. These changes introduced higher academic achievement standards into the school systems, required teacher competency assessments, and produced the side effect of pushing more marginal students to dropout when they could not meet the higher standards.

Many states now are going through a second round of education reform to deal with the new dropout problem and are providing more high support programs for dropout prevention. Dropout prevention programs sometimes include a component with incentives for dropouts to return to school.

Business/education partnerships are playing an important role in several of the dropout prevention efforts and return-to-school incentives. The most notable and highly respected model is the *Boston Compact*.

> *The Boston Compact*. This program has the goal of keeping youth in school so that they are able to go on to work or postsecondary education. One premise is that inner city youth lacked the traditional channels of access to economic opportunity. Private businesses were looking outside of Boston for their entry level workers, because not enough Boston city youth were prepared to go to work. The challenge presented by the school system was for private employers to work in partnership with the schools in providing jobs and the support network to help students get access to job opportunities.
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> The compact itself is a formal written agreement among the schools, businesses, colleges, and trade unions committing the parties to set numerical goals to improve education and work preparation, increase job opportunities, and improve college entrance for the city's high school students.

As a supplement to this testimony, I have provided more detailed background information on the Boston Compact. The National Alliance of Business is currently involved in a major project to duplicate the compact in several other cities around the country.

The combined efforts of public and private leaders, government, community organizations, and families will be crucial to addressing the issue of dropout prevention among young people at risk. There is no one solution or national blueprint. Past programmatic efforts have failed to recognize or adequately address the interrelated problems that are broader than any one agency or institution can address, such as school dropouts, illiteracy, teen pregnancy, poverty, substance abuse, family instability, criminal activity, and alienation.

Youth:2000. The Alliance is committed to an initiative that we call **Youth:2000**. It is intended to heighten national awareness about these issues, particularly in the business community, and to foster greater involvement in efforts to change the future prospects for education, employment, and employability for at risk youth.

The first step was a conference of national leaders and policy makers which we hosted last June under the sponsorship of the U.S. Departments of Labor and Health and Human Services, with the participation of the Department of Education. (I will provide a copy of the conference proceedings to the Subcommittee for the record). Part of our goal, as a result of the conference, is to continue this cooperative effort around the country to generate activities that will include:

- Facilitating regional, state, and local hearings, meetings or conferences on these issues to gather community leaders, politicians, policymakers, practitioners, and program participants across the sphere of social and human service activity.

- Expanding business involvement in state and local policymaking and coordination agreements (i.e., expand business involvement in the State Job Training Coordinating Councils, expand the role of the Private Industry Councils in community labor market problems, work with state legislators to develop new legislation that will improve services to at risk youth).

- Developing new business-education partnerships (i.e., join-a-school or adopt-a-school programs, replications of the Boston Compact).

- Fostering state or local interagency agreements to improve coordination of services to youth.

- Encouraging state leadership to place **Youth:2000** issues on their agenda as a priority.

- Promoting private business and voluntary involvement in addressing education, training, and employment needs of youth.

- Brokering new public/private partnerships among government and business leaders to match services and needs at the state or local level.

- Assisting in replication of successful programs and dissemination of materials about model programs.

- Developing and implementing public relations campaigns to inform and educate the public through the media.

(We will continue to keep your Subcommittee and other members of Congress informed about the progress of these initiatives.)

IN SUMMARY

In summary, Mr. Chairman, I would like to impress upon the Subcommittee several observations.

We see this issue of school dropouts as requiring both a prevention and a correction effort. Prevention is a long-term solution and one of the most important avenues to pursue. After a year's worth of study, the Committee for Economic Development stated in its report that the single most important investment we could make would be in early intervention programs for disadvantaged youth similar to the concept of the Headstart program. It emphasized the long-term investment needed for this problem. The solution to the dropout problem requires a long-term investment strategy.

No single program will be effective for every at risk youth. Current programs focus on different priorities: some serve in-school youth, some serve dropouts exclusively, some focus first on prevention.

The growing problem of dropout and at risk youth is not one that business is inclined naturally to get involved with, especially without substantial programmatic support from public agencies and institutions.

Business is very concerned about the problem because of its impact on our ability to remain competitive in the world market and on the social health of our nation.

Business is willing to and does get involved in seeking solutions when given an appropriate role and institutional forum in partnership with public policymakers.

Corrective action is most effective when it is designed to fit the particular circumstances and resources in the local community.

The search for solutions should build on the successful models and efforts already underway. We should build on the institutions and service systems we have.

As you can see, we do not find any easy answers. But, we are committed to working toward solutions. I look forward to working with you and the Subcommittee on this issue.

Mr. Chairman, I would be happy to answer any questions you may have.

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Senator METZENBAUM. James Hyman.

Mr. HYMAN. Thank you, Mr. Chairman.

My name is James Hyman. I am the Vice President for External Affairs for the Manpower Demonstration Research Corp.

I will try to make my comments brief so as to adhere to the time constraints.

I guess there are two things that I would like to do. One is to describe the national demonstration that the MDRC is now engaged in; and second is to make some commentary on why we think it may work.

I need not repeat the kinds of things you have heard this morning. We had a panel of youth that really gave, I think, a poignant picture of what the situation is for them. I appreciate Mr. Kolberg's point of view as to the future we look at in terms of this economy and the challenge that we face. I think what we learn from all these comments is that this is a problem that is not going to go away as a result of a general improvement in this economy; it will not go away as a result of the aging of the young population, nor will it go away as a result of the contraction in the size of the youth cohort. Something definitely has to be done.

Complicating our effort is the fact that the Job Training Partnership, although successful in some aspects, tends to under-serve this population. The 40-percent requirement for expenditure on youth under 22 years of age and the requirement that dropouts be given preferential treatment in relation to their proportion of the population in that regard are targets that are not being met.

In responding to this kind of challenge, MDRC tried to put together a program that we thought made most sense given our understanding of the literature. The program is called JOBSTART. It has basic components that consist of education and remediation, a minimum of 200 hours required in this kind of activity. It would require 500 hours in skills training, in occupations where we feel job growth is either evident or expected. There are support services for youth, including monetary incentive payments, individual group counseling, tutorial work, work readiness and life skills training, and child care assistance where needed. In addition, we do job search assistance once the program is completed.

The program is currently operating in 15 communities across the country, and the sponsors of the program are a combination of education institutions, in some cases, community organizations, in other cases, and nonresidential Job Corps Centers.

We are going to be evaluating this program over the next three years to see if we cannot lend more weight to what it is we do know about what works in this arena.

What I have to emphasize to date, though, is we do not know what does work, and what we have put together here is what we think is a promising approach and it is basically because we sort of looked around at the literature to find out what it is that we think lives up to credible research standards that indicate promising approaches.

We do know, however, that the program is being properly implemented. We are reaching the right population—the young, disadvantaged dropouts. Our average age of participants is 18.7 years. We have roughly equal proportions of males and females. Over 90 percent of participants report being minority, either black or Hispanic. And the average dropout grade is about the tenth grade. More than three-quarters of our participants dropped out of high school since 1983.

About 40-percent of these people are also on AFDC, so we are convinced that we are reaching the right population.

We also know that the services are being delivered. We took a check in November of 1986, when most programs had only several months of experience, to find out that on average, participants had received about 91 hours of academic training and 223 hours of vocational training. So we are confident that the model is feasible and that it can be implemented in a real way.

We are testing this approach again, as I mentioned, because we are not quite clear about what does work for this population. We have learned from our other lessons that programs that depend mostly on work experience are programs that do not offer enduring employment or income effects for participants. Similarly, programs that offer mostly job search experience do the same.

We have looked at the Job Corps and we find, from all reports we have seen and close examination, that it does offer long-term, sustained benefits in terms of employability and earnings, and it does so over a four-year follow-up period.

What we would suggest in terms of what we might do in the future is to restructure programs either by legislation or by changes in current programming to make sure that we get more comprehensive programs, focusing on educational instruction, skills training, support services and job search assistance.

Thank you.

Senator METZENBAUM. Thank you very much, Mr. Hyman.

[The prepared statement of Mr. Hyman and a supplement to his testimony follow:]

TESTIMONY OF

JAMES B. HYMAN

VICE PRESIDENT

MANPOWER DEMONSTRATION RESEARCH CORPORATION

before the

LABOR SUBCOMMITTEE

of the

SENATE LABOR AND HUMAN RESOURCES COMMITTEE

February 17, 1987

Good morning. I am James B. Hyman, Vice President for External Affairs at the Manpower Demonstration Research Corporation (MDRC). I am pleased to have this opportunity to speak to the Labor Subcommittee about MDRC's experience with employment programs for school dropouts and the early lessons that have emerged from our current research. During the next several minutes, I would like to describe a national demonstration for dropouts, called JOBSTART, that is being conducted by MDRC, and also explain why we believe this type of program makes sense. I hope MDRC's experience will be useful as you consider strategies for serving dropouts and assisting them to achieve self-sufficiency.

The Need to Serve Dropouts

Before I continue, I would like to say a few words about the importance of your efforts to address the nation's dropout problem. A number of studies -- including a recent report by the General Accounting Office -- suggest that dropping out of school has long-term harmful effects on the individual as well as on society. Chronic joblessness among all youths is concentrated primarily in a small segment of the teenage population: youths who have dropped out of high school, many of whom come from poor, minority families. Lacking the basic education and work skills required for most entry-level jobs, these young people are at a particular disadvantage in the labor market. The joblessness rate for black high school dropouts, for example, was as high as 73 percent in March, 1985.

This situation is particularly serious because, as suggested by prior studies, the employment problems of this group will not be solved by a general improvement in the economy, nor by the natural aging of the youth population, nor by a contraction in the size of the teenage population. For society, this entails losses in productivity as well as the higher costs associated with greater welfare dependency and potentially higher rates of drug abuse and crime. The business community is particularly concerned that as we enter the next decade, young people entering the labor force will not have the skills to adapt to our rapidly changing, increasingly competitive marketplace.

The problem is compounded by the fact that the major federal program designed to provide employment and training services -- the Job Training Partnership Act (JTPA) system -- is underserving dropout youth. While JTPA mandates that 40 percent of the funds allocated to local Service Delivery Areas be spent on youths under the age of 22 and that dropouts be served in proportion to their representation in the population, early studies indicate that these targets have not been met. It appears that the emphasis within the JTPA system on lower-cost services and immediate job placements have made it more difficult to serve educationally disadvantaged persons -- those who need longer and more expensive training to enter the workforce. Despite some recent changes, there is ongoing concern that program operators are serving a population that is most likely to succeed rather than most in need.

JOBSTART: A Program for Dropouts within the JTPA System

In response to these issues, MDRC developed the JOBSTART model to address the educational and employment needs of dropouts within the JTPA system. The JOBSTART model consists of the following components:

- A minimum of 200 hours in basic academic instruction using an individualized, competency-based curriculum.
- A minimum of 500 hours of skills training in occupational areas where job growth is evident or expected.
- Support services on an as-needed basis, including monetary incentive payments, individual and group counseling, mentoring, tutorial help, work readiness and life skills training, child care and transportation assistance.
- Job placement assistance.

This program model is being operated in 15 communities nationwide. Program sponsors include community-based organizations, alternative schools within public school systems, community colleges, and non-residential Job Corps centers. Most of the programs are operating with JTPA funds, indicating that there is opportunity within the JTPA system to serve dropouts -- though to do so requires unusual commitment at both the state and local levels.

Over the next three years, MDRC will be evaluating JOBSTART to determine whether the model increases participants' employment and earnings, and reduces their welfare dependency and criminal activity. MDRC will also be assessing JOBSTART's operational strengths and weaknesses, and will be examining whether the program is cost-effective. The research involves randomly assigning eligible youths into an experimental group that receives services and a control group that does not. By tracking both groups over a 24 month period following program completion, we will have solid evidence on how much difference participating in JOBSTART can make on the lives of school dropouts.

Let me emphasize that we do not have the final impact data to know whether JOBSTART is effective. However, we do know that amongst our demonstration sites, the program is being implemented successfully. First, JOBSTART is reaching the intended population: young, disadvantaged dropouts. The average age for JOBSTART applicants among the sites is 18.7 years. There are roughly equal numbers of male and female applicants, and about 90 percent identify themselves as minority (primarily black or Hispanic). The average grade at the time of dropping out is 10th grade, with more than three-quarters of the applicants leaving school since 1983. The low-income status of the population is reflected in the rate of public assistance: about 40 percent are on AFDC. Most applicants have received no prior occupational skills training prior to entering JOBSTART, and over 40 percent have no prior work history.

Second, we know that the intended services are being delivered to JOBSTART participants. As of November, 1986 -- when most of the sites had been operational for only several months -- we had already observed substantial hours of instruction being received by youths. Enrollees had spent an average of 91 hours in academic remediation, and an average of 223 hours in occupational training. We expect these hours to increase significantly as the demonstration continues.

The typical JOBSTART program begins with an assessment of youths' academic skill levels and vocational interests. Once this is completed, youths generally are moved into a pre-employment class, where they learn the fundamentals of how to look for work, complete a job application, conduct an interview, and perform on a job. Some sites also incorporate "Life Skills" instruction, covering a range of topics from personal budgeting to building self-esteem. After this initial period, youths begin basic education and skills training in their chosen field. All of the sites emphasize preparation for the high school equivalency (GED) examination, and reinforce the connection between educational attainment and future success in the labor force.

The exact relationship of the educational program to the skills training varies among the JOBSTART sites. Several operators have chosen to structure the education and training sequentially, arguing that youths need to become more adept at language and mathematics before they can succeed in the vocational component. Other operators are structuring the education and training concurrently, with the observation that the academic and vocational instruction tend to reinforce one another. MDRC has allowed both approaches since there is no evidence suggesting that either one is more effective than the other, though we have ensured that all the sites offer at least the minimum number of hours instruction required by the JOBSTART guidelines. Our primary goal is to ensure that an intensive educational and training program is delivered.

On completion of basic education and training, all of the JOBSTART sites assist youths to find skills-related, unsubsidized work. At this point in the demonstration, it is still too early for us to have information on the outcomes of program graduates.

Why We Are Testing the JOBSTART Approach

Apart from the operational information I have provided -- which indicates JOBSTART is feasible as a model -- we have some evidence that the JOBSTART approach holds promise for assisting the dropout population. Before MDRC launched JOBSTART, we conducted an extensive literature review on dropout programs, and consulted with a number of researchers, educators, and program operators who are familiar with these youths. Unfortunately, we found little hard evidence as to what programs work or do not work for dropouts. A similar conclusion was reached recently by the National Academy of Sciences' Committee on Youth Employment Programs after assessing the Youth Employment and Demonstration Projects Act. The Academy reported that evaluations of youth programs tend to have one of three major problems: either they are conducted at a stage when programs have not been stabilized; they are inadequate in the length of post-program follow-up of participants; or they use inappropriate comparison groups. We are hoping to avoid these problems in the JOBSTART demonstration. The reliable studies that do exist on dropout programs point to the following key lessons:

- First, programs that provide only work experience to dropouts do not appear to have longer-term positive employment effects. The National Supported Work Demonstration -- operated by MDRC between 1975 and 1980 -- provided paid work experience under conditions of close supervision, peer support, and graduated stress. Although Supported Work did prove successful with some target groups, it did not have lasting effects on the earnings and employment of school dropouts.
- Similarly, programs that provide primarily job search and other placement assistance for dropouts do not produce positive impacts that are sustained over time. A study of an intervention consisting of short-term pre-employment skills and job placement pointed to statistically significant effects on weekly earnings after nine months, but follow-up data at 24 and 40 months revealed no continuing effects.
- The positive lesson, however, is that a multiple service, comprehensive program offering basic education and skills training for dropouts has shown more positive employment effects. A major study of the Job Corps, an intensive educational and vocational program in a residential setting, found that program participation increased employment and earnings and the probability of receiving a high school degree or equivalency diploma. Most important, these benefits were sustained over a four year follow-up period. The Job Corps findings are particularly significant given the serious deprivation of the typical Job Corps participant.

These lessons led MDRC to the conclusion that an intensive intervention combining basic educational instruction and occupational skills training holds the greatest promise. Such a comprehensive approach also makes sense intuitively. We are dealing with youths who frequently are faced with a number of problems: skill deficits, low income, poor self-image, family turmoil, and others. We cannot expect that any "quick fixes" will turn their situation around. If we invest properly, however, we can assist youths to make gains within a program -- and then to turn these gains into long-term self-sufficiency.

The Challenge of Serving Dropout Youths Under JTPA

As I stated earlier, the JOBSTART program is being operated through the JTPA system. Mounting such a program, however, represented a major challenge to both MDRC and local JTPA administrators. The kinds of services being delivered by the sites in MDRC's demonstration are quite unusual in comparison to the types of programs being offered to dropouts in the average Service Delivery Area.

The fact that JOBSTART targets such a disadvantaged group -- and provides them with longer and more intensive training than is usually offered -- has serious implications for program operators using JTPA funds. JOBSTART training is more expensive than that provided by many JTPA programs. JTPA officials or service providers -- concerned about meeting low-cost standards -- might well be wary of JOBSTART's effects on their annual performance. They might also be concerned that even with more expensive training, dropouts will have higher attrition rates and lower positive termination rates than other, less disadvantaged participants.

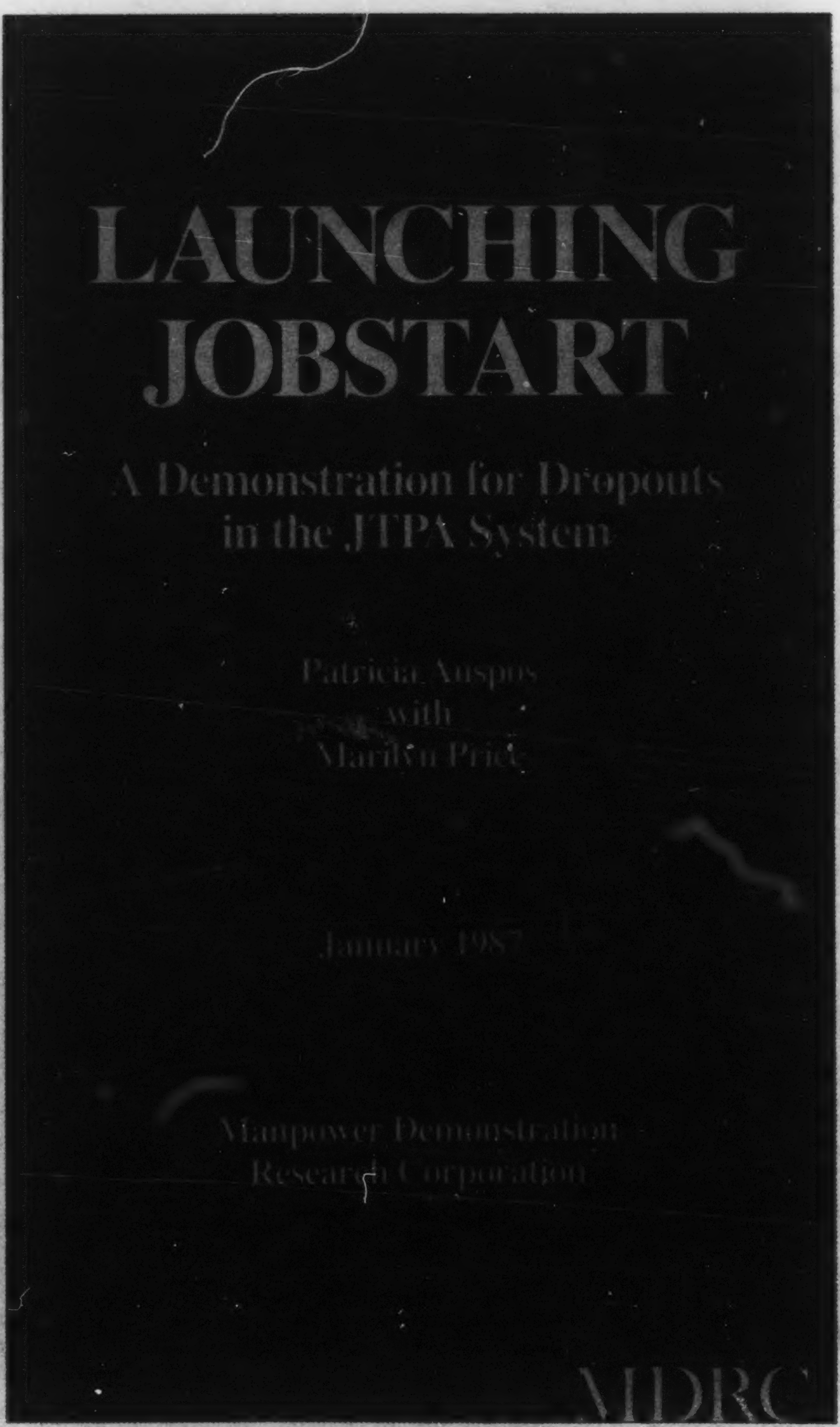
JOBSTART's emphasis on support services is also at odds with the policies of many local Service Delivery Areas. Although the JTPA system allows support services to be provided, a study by Grinker/Walker and Associates reported that less than a third of the SDAs in their sample offered needs-based payments to JTPA program enrollees, and 84 percent of the SDAs spent less on support services than was allowable by law.

Fortunately, some recent developments in the JTPA policy environment have made it easier to serve dropouts. First, the documented failure of SDAs across the country to meet the youth expenditure targets in the JTPA legislation has caused a number of policymakers and service providers around the country to devote more attention to increasing the level and quality of youth services. Second, the development of youth competency systems (authorized in the JTPA law) have assisted program operators to increase youth positive termination rates by recognizing positive outcomes for attainment of pre-employment and work maturity skills, basic education skills, and job skills.

Still, we are not likely to see major improvements in the delivery of services to dropouts without support from the federal government. This may be accomplished through a newly created program or through existing channels. At a minimum, there ought to be better targeting of JTPA resources to the dropout population, and a re-examination of JTPA performance standards as they relate to these youths. There is also a need for more flexible funding to allow service providers to respond to the myriad of problems confronting these youths. Based on what we know so far, an intensive, holistic approach seems to be the best strategy. Such a program would include three essential components:

- educational instruction that is sufficient to bring youths' language and mathematics skills up to a level needed to survive in today's workplace.
- skills training that is of adequate quality and duration to enable youths to compete for jobs and succeed in the labor market.
- support services, including income support, that allow youths to cover incidental expenses associated with entering an education and training program, and that enable them to maintain their commitment to a program over a number of months.

If we are willing to make an investment in these services, I am optimistic that we will yield benefits not only in the improved life circumstances of individual youths, but also in the increased productivity and adaptability of our labor force.



LAUNCHING JOBSTART

A Demonstration for Dropouts in the JTPA System

Patricia Auspos
with
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January 1987

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MDRC

LAUNCHING JOBSTART: A DEMONSTRATION FOR DROPOUTS IN THE JTPA SYSTEM

EXECUTIVE SUMMARY

The JOBSTART demonstration is significant from three different policy perspectives: as a program model targeted to poor, young high-school dropouts who face many barriers to employment; as a social experiment that tests that program model with a random assignment design; and as a demonstration operated within the nation's employment and training system for economically disadvantaged persons authorized by the Job Training Partnership Act (JTPA).

The program model being tested in JOBSTART combines instruction in basic education with occupational skills training and also provides support services and job placement assistance. In addition to being economically disadvantaged, enrollees are required to be high-school dropouts and, in most cases, to read below the eighth-grade level on standardized tests.

A total of 16 sites -- all of them funded in part through the JTPA system -- began participating in the JOBSTART demonstration between August 1985 and October 1986. The demonstration was developed and is being managed and evaluated by the Manpower Demonstration Research Corporation (MDRC), a nonprofit organization with over a decade of experience in designing, overseeing and evaluating programs seeking to help disadvantaged persons achieve self-sufficiency.

A. Policy Significance of JOBSTART

MDRC's decision to launch a demonstration to serve high-school dropouts was a response to three primary concerns.

- **First, a growing body of literature suggests that dropping out of school has long-term harmful effects on the individual as well as on society.**

Increasingly, chronic joblessness among all youths is recognized to be concentrated primarily in a relatively small segment of the teenage population: youths who have dropped out of high school, many of whom come from poor, minority families. Lacking the basic education and work skills required for most entry-level jobs, these young people are at a particular disadvantage in the labor market. The joblessness rate for black high-school dropouts, for example, was as high as 73 percent in March 1985.

This situation is particularly serious because, as suggested by prior studies, the employment problems of this group will not be solved by a general improvement in the economy, nor by the natural aging of the youth population, nor by a contraction in the size of the teenage population. For society, this entails losses in productivity as well as the higher costs associated with greater welfare dependency and potentially higher rates of drug abuse and crime.

- **Second, despite a growing awareness of the correlation between educational disadvantage and chronic joblessness, it appears that the most-at-risk groups of youths are not being adequately served by the JTPA system.**

The Job Training Partnership Act of 1982 offers a major opportunity to provide training to disadvantaged youths by mandating that 40 percent of the funds allocated to local service delivery areas (SDAs) be spent on youths under the age of 22 and that dropouts be served in proportion to their representation in the eligible population. However, early studies of the JTPA system indicated that most areas failed to meet the expenditure requirement for youths and the service ratio for dropouts. At issue is whether attempts to improve the quality and accountability of the JTPA system have, in somewhat perverse fashion, made it more difficult to serve educationally disadvantaged persons who will need longer and more expensive training to enter the workforce. Despite some recent changes, concern persists that program operators are encouraged to serve people most likely to succeed rather than those most in need.

Because the JOBSTART program was planned to be operated within the JTPA system, using JTPA funding and subject to JTPA regulations and performance standards, the demonstration serves as a test of the ways in which JTPA policies and practices can hinder or facilitate service delivery to a key -- and very disadvantaged -- segment of the youth population. The JOBSTART evaluation provides a rare opportunity to understand the workings of the JTPA system through the prism of a single program, taking into account the operator's point of view as well as the perspective of local JTPA officials.

- **Third, the evaluation record on previous youth training programs leaves many questions unanswered about what works for the dropout population.**

Analysis of the evaluation record on youth programs indicates that many questions about effective services remain open because few programs were evaluated with a rigorous design using random assignment to create a control group, and some had difficulty in implementing the program model as intended. The Job Corps -- one of the few programs for school dropouts considered effective -- combines intensive remediation and skills training in a residential setting. A question left unanswered by evaluation of the Job Corps is whether a similar mix of services offered in a non-residential setting can produce comparable results and do so at a lower operating cost.

If JOBSTART is proven effective, both the Job Corps and JOBSTART will represent viable program options for helping disadvantaged school dropouts become self-sufficient.

B. The JOBSTART Program and Its Evaluation

1. The Program Model

- **As indicated in Table 1, JOBSTART is designed to provide comprehensive services, including at least 200 hours of instruction in basic education, 500 hours of skills training, job placement assistance and intensive support services. Sites are encouraged, but not required, to use computer-assisted instruction in the education component.**

The program model -- which draws extensively from the Job Corps design -- represents the lessons from past research adapted to the current operational environment. For example, the evaluation record suggests that a model worth testing for high-school dropouts would combine either work experience or occupational skills training with remedial or basic education and that the intervention should be long and intense. However, current restrictions on work experience in the JTPA legislation indicated that classroom training would be the more viable approach. Similarly, information on the average length of training in JTPA programs made it seem unrealistic to impose a minimum of a year of training in JOBSTART, as MDRC would have liked. Instead, sites are required to provide at least 700 hours of training, but encouraged to provide more.

Apart from these basic guidelines, sites have been given considerable latitude in designing the content of the four JOBSTART components. Flexibility was extended for two reasons. First, evaluation studies have provided little guidance on whether one mode of service delivery is more

TABLE 1

THE JOBSTART PROGRAM MODEL

Target Population	To be eligible for JOBSTART, individuals must be: - 17 to 21 years old - high school dropouts without a diploma or GED - reading below the eighth grade level on a standardized test - economically disadvantaged, as defined by the Job Training Partnership Act
Basic Education Instruction	Sites will implement a curriculum that is: - self-paced and competency-based - computer-managed and -assisted, if possible - a minimum of 200 hours in length - focused on reading, communication and basic computation skills
Occupational Skills Training	Sites will implement a curriculum that: - is in a classroom setting - combines theory and hands-on experience - prepares enrollees for jobs in high-demand occupations - provides at least 500 hours of training - has been developed with the assistance of the private sector to ensure that graduates will meet the entry-level requirements of local employers
Training-Related Support Services	Services should be tailored to individual need and should include, in addition to transportation and child care, some combination of the following: - work readiness and life skills training - personal and vocational counseling, mentoring, tutorial assistance, referral to external support systems - needs-based payments or incentive payments tied to length of stay, program attendance or performance
Job Development and Placement Assistance	JOBSTART operators and/or their subcontractors will be responsible for assisting participants in finding training-related jobs

effective than another. Second, the fact that sites had to build JOBSTART into existing programs imposed practical limits on how much change they could be asked to make. A more prescriptive model would reduce the pool of potential sites, as well as limit the replicability of the model.

2. Scope of the Evaluation

The evaluation of the JOBSTART demonstration has three parts. The impact analysis will examine the program's effects on employment, earnings and welfare dependency, as well as on childbearing patterns, educational achievements, and criminal activity for two years after program entry. To do this, eligible youths who apply for JOBSTART are randomly assigned to either an experimental group eligible for JOBSTART services or a control group that is not; the outcomes for the two groups will be compared. Each site is expected to randomly assign a minimum of 200 youths: 100 to the experimental and 100 to the control group. As noted above, the findings of many previous studies of employment programs have been called into question because they lacked a random assignment design; JOBSTART represents one of the first evaluations of this type in the JTPA system.

The benefit-cost analysis will identify the costs of operating JOBSTART and determine whether the benefits derived from the program exceed or fall short of its costs -- that is, whether the program is cost-effective. The implementation analysis will describe the services offered at the JOBSTART sites, the patterns of participation and program departure, and the institutional arrangements and other factors that facilitated or hindered service delivery. The implementation analysis will be completed in late 1988; the impact and benefit-cost studies will be released in mid-1990.

This report, written while the demonstration was still in its start-up phase, focuses on the development of the program model, the site selection process, the relationship between JOBSTART and the JTPA system, and the first few months of recruitment at early-starting sites. The primary questions addressed are:

- How have the operational constraints of the JTPA system affected the program design and evaluation strategy for the demonstration?
- To what degree did JTPA funding restrictions, contracting procedures and performance standards facilitate or constrain interest in the demonstration among program operators and JTPA agencies? How are they likely to affect program operations once sites are up and running?
- What kinds of changes did sites make in their existing programs and enrollment patterns in order to conform to the JOBSTART program model?
- How much variation is there across the JOBSTART sites in types of service providers, prior experience and service mix?
- How have the above factors affected the research design?
- What are the emerging patterns in recruitment and what factors appear to be influencing those patterns?

Funding for the JOBSTART evaluation is being provided by an unusual consortium of 11 private foundations, corporations, a federal agency and a national organization. A very small proportion of the local costs of operating JOBSTART programs is also covered by contributions from such corporations and foundations. JTPA monies provide the bulk of local operating funds, although most JOBSTART programs also rely on other public or private sources.

C. Findings on Jobstart Sites and Early Operational Experience

- The process of site selection and development was both time-consuming and labor-intensive.

MDRC worked with public interest groups in the employment, training and education fields as well as with state and local contacts to identify potential sites. In all, over 70 program operators discussed participation with MDRC staff. The length of time required to identify and develop a site for the JOBSTART demonstration varied from six months to over a year. In a number of cases, this process was slow because sites experienced difficulty in identifying additional funding sources or were subject to delays in the allocation of funding. In others, protracted negotiations over the services available to members of the control group lengthened the development period. Sites phased into the demonstration over a period of 15 months, between August 1985 and October 1986. (See Table 2.)

- **The 16 sites that began participating in the JOBSTART demonstration represent a mix of institutions: seven are community-based organizations, five are schools (both community colleges and adult vocational schools), and four are the non-residential components of Job Corps Centers.[1]**

The variety of institutions that are operating JOBSTART gives MDRC the opportunity to understand more about the strengths and weaknesses of operating the program model under different institutional arrangements, and to study the types of adaptations that must be made by different organizations to run such a program.

- **All the sites provided evidence of effective management, quality programming and financial stability. However, they**

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[1] As of January 1987, 15 sites remain in the JOBSTART demonstration. Stanly Technical College, located in Albermarle, North Carolina, is no longer part of the demonstration, largely due to difficulty in recruiting the required number of youths in a rural environment.

TABLE 2

THE JOBSTART SITES AND START OF RANDOM ASSIGNMENT

Agency Name	Location	JTPA Service Delivery Area	Random Assignment Start
Allentown Youth Services Consortium	Buffalo, NY	Buffalo/Cheektowaga/Tonawanda Consortium	June 1986
Atlanta Job Corps	Atlanta, GA	N/A	August 1986
Basic Skills Academy (BSA)	New York, NY	New York City	October 1986
Center for Employment Training (CET)	San Jose, CA	Santa Clara County	November 1985
Chicago Commons Association Business and Industrial Training Program	Chicago, IL	City of Chicago	March 1986
Connelley Skill Learning Center	Pittsburgh, PA	City of Pittsburgh	August 1985
Capital Region Education Council (CREC)	Hartford, CT	Hartford	April 1986
East Los Angeles Skill Center	Los Angeles, CA	City of Los Angeles	May 1986
El Centro Community College Job Training Center	Dallas, TX	City of Dallas	March 1986
Emily Griffith Opportunity School (EGOS)	Denver, CO	City and County of Denver	April 1986
Los Angeles Job Corps	Los Angeles, CA	N/A	August 1986
Phoenix Job Corps	Phoenix, AZ	N/A	June 1986
Sacramento Job Corps	Sacramento, CA	N/A	October 1986
SER - Jobs for Progress	Corpus Christi, TX	City of Corpus Christi/Nueces County	October 1985
SER - Jobs for Progress	Milwaukee, WI	Milwaukee County	April 1986
Stanly Technical College	Albemarle, NC	Centralina	November 1985

NOTES: N/A indicates not applicable because these Job Corps Centers are federally funded and operated by private contractors and are not part of the SDA system.

have not all had substantial experience with both the JOBSTART services and the JOBSTART target population.

Not surprisingly, given the genesis of the JOBSTART program model, the four Job Corps sites conformed most closely to the operating guidelines of the demonstration in their regular programming. Four of the other 12 sites are educational providers which target young dropouts, but have little or no experience in providing skills training. In JOBSTART, they will broker the occupational skills component, that is, provide it through other training vendors. The remaining eight sites entered the demonstration with experience in the JOBSTART service mix, but youths had not traditionally been the primary target group at some of these sites; instead, they had developed their programs for an older population, or one with higher reading levels.

- **Most JOBSTART sites had to modify considerably their service offerings, program structure or recruitment efforts in order to conform to the JOBSTART guidelines.**

The primary changes made by the sites include hiring new staff, expanding recruitment efforts, augmenting the educational component, and enriching the available support services. For the most part, the enhancement of support services was made possible by finding new sources of financial assistance, developing a system of incentive awards and adding counseling capacity.

- **Although all sites adhere to the basic guidelines of the demonstration, they vary substantially in the way JOBSTART is structured and services are delivered.**

Among the differences that are likely to affect the implementation of JOBSTART, the following stand out: 10 of the 16 sites provide education and training concurrently to JOBSTART enrollees, while six follow a sequence in which youths are moved through the education component before being placed in occupational training. Twelve of the sites provide all JOBSTART instruction on-site, while the remainder broker occupational training with local vendors. Three of the JOBSTART programs begin and end training on a fixed cycle, while the others provide for open entry and open exit. The JOBSTART sites also vary in the kind and amount of support services provided, the educational methods used, and the kind of occupational training available on-site. Over half of the sites are using some type of computer-assisted instruction in the education component.

This diversity among the sites has the advantage of allowing MDRC to explore the operational strengths and weaknesses of different approaches to operating JOBSTART. In addition, the fact that a variety of institutions are operating JOBSTART in somewhat different ways increases the likelihood that the model can be replicated by other sites after the demonstration.

- **In general, JOBSTART operators have been challenged by the amount of time and effort necessary to maintain a steady flow of program applicants. Despite the fact that the two early-starting sites met or came close to meeting the JOBSTART enrollment goals within their yearlong recruitment cycle, most other sites are experiencing considerable difficulty in achieving the goal.**

In fashioning their recruitment strategies, JOBSTART program operators face several challenges. First, operators have had to locate and inform a target population that is widely dispersed. Second, the recruitment message has to be attractive to young people who are known to be skeptical about training programs and alienated by school. In addition, because the target audience for JOBSTART is poor and unemployed, immediate income is often a great need. Staff have had to intensify their outreach efforts in part because a larger number of youths than anticipated were determined ineligible or did not complete the enrollment process.

- **As of December 31, 1986, 1,227 youths had enrolled in the research sample. The demographic characteristics of an early sample randomly assigned through July 1986 suggests that JOBSTART operators are successful in enrolling a very disadvantaged segment of the youth population.**

The early sample of youths randomly assigned through July 1986 is almost evenly made up of males and females. Most are black or Hispanic, with an average reading level that is well below the eighth grade. On average, they had ended their schooling in the tenth grade, and two-thirds had been out of school for at least eight months when they enrolled. Few had prior vocational training and a substantial proportion had never held a job. Most had never married, yet more than half of the young women in the sample had at least one child. The majority of the sample received some sort of government assistance -- cash or in-kind -- either directly in their own name, as in the case of General Assistance, or as part of a family unit that receives benefits under a government-sponsored program. Approximately 20 percent -- and a much larger proportion of the women than the men -- received payments from the Aid to Families with Dependent Children (AFDC) program in their own name.

D. Findings on Implementing JOBSTART Within the JTPA System

Despite the care taken to develop a program model that could be incorporated into regular JTPA programming, studies of the implementation of JTPA in its early years suggested a number of reasons why it might nevertheless be difficult to find sites experienced in operating programs similar to JOBSTART and/or willing to do so in a demonstration.

- **JOBSTART provides longer, more costly, and more intensive**

training, and is targeted to a more disadvantaged population than most JTPA programs.

The implementation studies of JTPA and other data indicate that, in its early years, the system served a population that was more educationally advantaged than the eligible population as a whole; that young dropouts were not a service priority in many SDAs; and that relatively few SDAs operated programs targeted specifically to dropouts or other hard-to-employ groups on a sizeable scale. Many training vendors were also reported to screen out applicants with reading levels as low as those of the JOBSTART enrollees.

As discussed earlier, the emphasis of JOBSTART on longer-term training also appears to be at odds with current trends in JTPA. The JOBSTART minimum of 700 hours of instruction -- which translates into about 24 weeks of full-time classes -- is close to the maximum length of training found in one JTPA implementation study. In addition, SDAs are reported to be spending considerably less than the allowable 15 percent limit on support services, and many have ceased to provide needs-based payments -- practices contrary to JOBSTART's emphasis on the need for support services to help overcome the situational and motivational problems likely to affect the JOBSTART enrollees.

- **The performance standards and contracting policies common in the JTPA system provide major disincentives for training vendors to operate JOBSTART.**

The JTPA system is performance-driven. Seven performance standards -- four for adults and three for youths -- are set by the federal government for the states. These are adjusted by governors and then established for local service delivery areas within the state. Local JTPA staff, in turn, use the standards to set performance goals for individual contractors. Throughout the system, emphasis is placed on achieving high placement rates at low cost, and on exceeding the established standards. For example, JTPA agencies in the JOBSTART sample generally hold their contractors to performance standards which exceed those required of the SDA by the state. In addition, the ability to meet or exceed the goals determines whether local contractors will cover their training costs or be funded in the next contract year and whether SDAs will qualify for incentive awards from the state. Under performance-based contracts, which are increasingly used in the JTPA system, vendors are paid only if enrollees reach certain benchmarks of achievement, including placement in a training-related job. Cost-reimbursement contracts, in contrast, cover actual costs up to a maximum, and payments are not tied directly to specific outcomes.

MDRC's interviews with SDA staff at the JOBSTART locations revealed other practices that are likely to discourage services to groups such as those targeted in the demonstration. Performance levels required in contracts generally reflected the type of program operated rather than the type of population served. In particular, despite the fact that federal performance standards differentiate between adult and youth outcomes and recognize that placement in a job is not the only positive outcome for youths, many SDAs in the JOBSTART sample reported that they did not differentiate between youth and adult enrollees in setting performance standards for contractors that provide skills training.

Increasingly, these practices have been identified as likely to discourage vendors from working with more difficult populations who tend to need longer and more expensive training before being ready to enter the labor force. JOBSTART thus raises issues for JTPA staff and local operators concerned about meeting performance standards requiring a high rate of placements at a low cost.

- **Nevertheless, JTPA agencies in some locations were receptive to JOBSTART in its demonstration phase. Sites are operating with JTPA funding, and in a number of cases, JTPA staff were instrumental in identifying and developing potential sites.**

JOBSTART is being operated with locally-awarded JTPA funds at all but one of the 12 sites that are not Job Corps Centers. In addition, 11 of the 12 sites -- including the one that does not receive local JTPA funds -- use state-awarded JTPA funds for JOBSTART. In most cases, these funds were awarded specifically for the demonstration; in others, they represent regular funding that the program operator chose to use for JOBSTART. (Job Corps funding is provided through a different funding stream within the JTPA system. The federal office that oversees the Job Corps encouraged participation by Job Corps sites.)

In addition to providing funds, some state and local JTPA agencies are facilitating the demonstration in other ways. In a few locations, JTPA staff played an active role in identifying and selecting appropriate sites, were instrumental in developing the necessary program modifications, and monitored implementation. The particular route of access into the JTPA system reflects the decentralized nature of that system: in some cases, the local operator was the prime mover; in others it was the staff of either the local Private Industry Council or the local government agency responsible for JTPA; in still others, the state helped to develop local interest in the demonstration.

JTPA staff proved more responsive to the JOBSTART demonstration in

SDAs and states where services to dropouts were a policy priority, and where there was strong interest in incorporating a basic educational component into the local JTPA system. Interest in promoting innovative programming and developing greater capacity to serve dropouts within the public school system were other reasons cited for JOBSTART participation. In addition, the demonstration was appealing because it offered local sites opportunities to engage in staff development, receive technical assistance, acquire national recognition, and contribute to public policy development.

- **Roughly half of the SDAs in the JOBSTART sample have made some change in their standard operating procedures in order to facilitate the implementation of a program serving a more disadvantaged target group.**

Two SDAs wrote cost-reimbursement contracts for JOBSTART, when the usual policy was to use only performance-based contracts. Three SDAs adjusted their placement or positive termination standards for JOBSTART operators, reflecting the fact that they were working with a more difficult population. Another devised a new payment and performance system to encourage the transition of youths from basic education classes into occupational skills training programs. A few earmarked more money for training or support services in JOBSTART, recognizing that this hard-to-serve group would require more assistance than other JTPA enrollees.

- **Nevertheless, certain practices commonly used in SDAs appear to pose potential problems for implementing the JOBSTART model.**

Funding constraints, particularly restrictions placed on the use of support service funds and administrative costs, made it necessary for many sites -- with MDRC's assistance -- to seek additional funding sources for

JOBSTART. Practices cited earlier -- writing contracts that hold JOBSTART operators to performance standards higher than those required of the SDA as a whole or that fail to differentiate between youth and adult outcomes -- could penalize JOBSTART operators for working with a hard-to-serve group.

In addition, federal regulations that do not consider movement of JTPA enrollees from one training program to another as positive terminations could create problems for JOBSTART sites that are brokering skills training after the education component. Finally, educational attainment standards developed by Private Industry Councils and used to measure youth performance in many SDAs may require more improvement than is realistic for the JOBSTART population during the limited time available for training.

- **The fact that a substantial proportion of the JOBSTART SDAs were willing to make accomodations for the demonstration suggests that the JTPA system provides opportunities to respond to special needs groups. However, it is equally clear that such responses are the exception rather than the rule, and that they can mitigate, but not necessarily overcome, problems posed by funding and cost restraints.**

Using the opportunities that exist in the JTPA system to serve the harder-to-employ requires considerable foresight, perseverance and ingenuity, as well as a substantial commitment of time, from JTPA staff and program operators. Local JTPA agencies and contractors are unlikely to incur the risks involved if they are not encouraged to do so by state and federal policies. Two important ways to provide such encouragement are in the application of the federal performance standards at the state and local levels, and in the use made of the JTPA 6 percent and 8 percent set-asides earmarked, respectively, for incentive grants and coordination with education programs.

E. The Implementation Challenge

The launching of the JOBSTART demonstration represents a major achievement in the current employment and training environment. However, many operational challenges still face the JOBSTART sites. They include: overcoming the difficulties associated with recruiting young high-school dropouts in order to meet the enrollment targets in JOBSTART; ensuring that the youths remain in training for the intended duration; and successfully placing participants in jobs. Sites offering occupational skills training after academic instruction -- and particularly those that plan to provide training through other contractors -- face the additional task of moving youths through the educational component in a timely manner and meeting the entry requirements of skills training courses.

The degree to which JOBSTART sites achieve these goals -- and the ways in which the JTPA system and other factors affect their ability to do so -- will be discussed in the implementation report scheduled for release late in 1988.

The Manpower Demonstration Research Corporation's evaluation of the JOBSTART program is being funded by a consortium of foundations, as well as by the U.S. Department of Labor and the National Commission for Employment Policy. The consortium includes the Rockefeller, Ford, William and Flora Hewlett, and Charles Stewart Mott Foundations. In addition, the American Telephone and Telegraph, Atlantic Richfield, Aetna Life and Casualty, and Stuart Foundations, as well as the Chase Manhattan Bank, are supporting a portion of the operational costs at the JOBSTART sites.

Researchers are encouraged to express their professional judgments. Therefore, the findings and conclusions of the report do not necessarily reflect the official positions or policies of these funders.

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Senator METZENBAUM. Our last witness today is Sandra Hagerty, from Sears, Roebuck.

Ms. HAGERTY. Good afternoon, Mr. Chairman.

My name is Sandra C. Hagerty. I am Director of Affirmative Action and Equal Opportunity Programs for Sears, Roebuck and Co., which is the second largest private employer in America.

Sears commends this Subcommittee for holding this hearing as a first step toward developing some meaningful initiatives to address the issue of disadvantaged youth unemployment. We thank you for the opportunity to participate in this dialogue, to explore ways that corporations can cooperate in this effort.

Sears Merchandise Group has approximately 1,000 local retail units in the United States. Each of these units is autonomous in the areas of recruiting and hiring. The managers have the authority to develop and participate in programs to ensure that the local employment needs are met.

One of Sears' strengths is its heritage of good citizenship. We recognize that we do not have all the answers, but collectively, as a corporation, and as individual employees we have worked to support the communities in which we do business. We are here to share with you some of our experiences in attempting to find some answers.

Sears managers work cooperatively with existing job training and recruitment training programs sponsored by local governments and organizations like OIC of America, the Urban League and SER. The Company is actively involved in many public/private partnerships.

Sears is eager to increase work with JTPA programs and encourages the local agencies, which include the Private Industry Councils [PICs], to be flexible in recognizing that a part-time opportunity with Sears, a company with a reputation for integrity, is one way of helping these young people to get job experience.

We have had some success through our local units. For example, in 1986, three Tacoma, Washington Central Service Unit employees were presented with the Pacific Northwest Group Gold Star Award for their participation in the YWCA Nontraditional Program.

One of the most exciting programs in which Sears is involved is being coordinated by Ray Graham, who is a retired Sears executive. Mr. Graham is currently recruiting other retired Sears executives in approximately 25 regions around the country to serve as the liaison between the local Sears hiring units and the appropriate local agencies. Their sole purpose is to address the creation of job opportunities for economically disadvantaged people in their communities. This effort has resulted in our involvement with "The Out of School Work Experience Program" in the District of Columbia. Another major focus of Sears is to get more women into nontraditional blue collar jobs. We have worked with the Atlanta Coalition for Women in Nontraditional Jobs in this effort. Our nontraditional jobs consist of those in automotive and merchandise repair. We now employ more than 1,859 women in those jobs, and they represent 5.4 percent of all such Sears employees. According to 1980 Census data on similar jobs, only 3.2 percent were held by women nationwide.

Senator **Metzenbaum**. Do you think you could expand the same concept of taking the women from nontraditional jobs into the employment sector to disadvantaged youth or to young people who cannot find a job, people on the streets?

Ms. **Hagerty**. We believe there is a correlation, because in bringing women into nontraditional jobs, we recognize there is often a need to bridge a knowledge gap. These women, for example, may not be familiar with the tools of the trade necessary to work in automotive or merchandise or service technician jobs. They often need special training to overcome that obstacle.

Similarly, the disadvantaged youth may also lack the tools of the trade because the individual has dropped out of school, has no previous work experience, and is placed in a work setting without understanding the corporate culture, values or work ethic. All of this contributes to a frustration which can set in quickly and create turnover before the employee has a chance to succeed or fail based on the merits of performance.

We believe that any successful efforts to find employment for the disadvantaged youth will need to include: remedial education opportunities; a job readiness component to teach the expectations of the workplace; and flexible work schedules which recognize the realities of the labor market.

The Sears-Roebuck Foundation attempts to help with the literacy problem through its ongoing financial support of projects like the Education Commission of the States, the Assault on Illiteracy Program and the Keep America Working Project.

There is always more that can be done. As Ralph Waldo Emerson once said, "What we call results are beginnings." Sears is willing to engage in the brainstorming and debate to help shape policies to address the needs of America's unemployed. Sears wants to be a part of the solution. We offer our assistance to you as you look for ways to develop and support innovative, effective and cost-efficient ways to reduce disadvantaged youth unemployment.

Thank you.

[The prepared statement of Ms. Hagerty, with supplemental material follow:]

Testimony of

Sandra C. Hagerty
Director of Affirmative Action
and Equal Opportunity
Sears, Roebuck and Co.

before the

Subcommittee on Labor of the
Committee on Labor and Human Resources
United States Senate

Tuesday, February 17, 1987

My name is Sandra C. Hagerty. I am Director of Affirmative Action and Equal Opportunity programs for Sears, Roebuck and Co., which is the second largest private employer worldwide with 483,083 employees. The Merchandise Group employs 374,340 employees. Sears has a continuing commitment to the recruitment, training and retaining of its employees.

Sears commends this Subcommittee of the Senate Labor and Human Resources Committee for holding this hearing as a first step toward developing some meaningful initiatives to address the issue of disadvantaged youth unemployment. We thank you for the opportunity to participate in this dialogue to explore ways that corporations can cooperate in this effort.

Sears Merchandise Group has approximately 1000 local retail units in the United States. Each of these units is autonomous in the areas of recruiting and hiring. The managers have the authority to develop and participate in programs to ensure that the local employment needs are met.

One of Sears strengths is its heritage of good citizenship. We recognize that we do not have all the answers but collectively, as a corporation, and as individual employees we have worked to support the communities in which we do business. We are here to share with you some of our experiences in attempting to find some answers. Sears managers are encouraged to work cooperatively with existing job training and recruitment programs sponsored by local governments and organizations like OIC of America, the Urban League and SER. Sears is actively involved in many public/private partnerships. The company utilizes the Targeted Job Tax Credit program and the Job Training Partnership Act (JTPA) which place special emphasis on assisting economically disadvantaged youth.

As we are implementing the JTPA, we are finding that there is often a mismatch because the agencies which administer JTPA funds generally prefer that the program participants be placed in full-time positions. For Sears and other retailers, this poses a major problem. For example, in 1986 we hired 159,949 individuals and of those 157,172 were part-time positions. However, when full-time opportunities are available, part-timers are eligible for promotion.

Sears is eager to work with JTPA programs and encourages the local agencies, which include the Private Industry Councils (PICs), to be flexible in recognizing that a part-time opportunity with Sears, a company with a reputation for integrity is one way of helping these young people to get job experience.

Our local units are involved in a variety of job training programs. The Tacoma Washington Central Service Unit employees were presented with the Pacific Northwest Group

Gold Star Award for their participation in the YWCA Nontraditional Program. The YWCA saluted these employees who assisted the program coordinators in lobbying for state funds, conducted mock interviews with students, made classroom presentations and conducted tours of the Sears service center, all in an effort to encourage women to look at new employment options in areas they may not have considered.

In Chicago, one of the programs Sears participates in is "Hire the Future," a summer jobs program for young people age 16-19. "Hire the Future" is sponsored by the Chicago Business Alliance League.

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One of the most exciting programs in which Sears is involved is being coordinated by Ray Graham, who is a retired Sears executive. Mr. Graham is currently recruiting other retired Sears executives in approximately 25 regions around the country to serve as the liaison between the local Sears hiring units and the appropriate local agencies. Their sole purpose is to address the creation of job opportunities for economically disadvantaged people in their communities. This effort has resulted in our involvement with "The Out of School Work Experience Program" in the District of Columbia.

"The Out of School Work Experience Program" is a contributory program, similar to the JTPA program. Sears negotiates with the District of Columbia government for a certain number and type of job. The positions currently include sales assistants, tire and battery installers, auto mechanics and stock clerks. The young people are hired for a specific period of time, and if they are successful, they are offered a regular position and allowed to continue working for Sears. This is our second year with the "Out of School Work Experience Program" and we plan to continue this effort.

Another major focus for Sears is to get more women into nontraditional blue collar jobs. Change is occurring slowly in the nation's work force, but the picture in more nontraditional areas is especially discouraging. The situation at Sears is somewhat brighter, perhaps because we have seriously been hammering away at the problem for over a decade. Our nontraditional jobs consist of those in automotive and merchandise repair. We now employ more than 1859 women in those jobs and they represent 5.4 percent of all such Sears employees. According to 1980 census data on similar jobs, only 3.2 percent were held by women nationwide.

At Sears we have found certain concrete approaches useful in getting more women into nontraditional jobs. They include:

- The early intervention in the development of attitudes toward the appropriate roles for women and men;

- Working with school guidance counselors to create an awareness of businesses' needs;
- Developing media campaigns to help dispel stereotypes; and
- Utilizing established recruitment sources such as technical and trade schools, vo-tech programs and organizations like the YWCA.

Sears has worked with some groups that specifically try to find nontraditional job opportunities for women like the Midwest Women's Center, the Sunbow Foundation in Chicago, Apprenticeship and Nontraditional Employment for Women (ANEW) in Renton, Washington, Wider Opportunities for Women (WOW) in the D. C. Area and its affiliates throughout the country, and the Atlanta Coalition for Women in Nontraditional Jobs.

For purposes of this hearing, the question becomes whether the experiences with the nontraditional jobs can be made applicable to disadvantaged youth. In bringing women into the nontraditional jobs we recognize that there is often a need to bridge the knowledge gap. These women may not be familiar with the tools of the trade necessary for auto mechanics and service technicians. They often need special training to overcome that obstacle.

The disadvantaged youth may also lack the tools of the trade because the individual has dropped out of school, has no previous work experience and is placed in a work setting without understanding the corporate culture, values or work ethic. All of this contributes to a frustration which can set in quickly and create turnover before the employee has a chance to succeed or fail based on the merits of performance.

We believe that any successful efforts to find employment for the disadvantaged youth will need to include:

- Remedial education opportunities;
- A job readiness component to teach the expectations of the workplace; and
- Flexible work schedules which recognize the realities of the labor market.

Sears has established technical training centers around the country. These centers are comparable to many vocational training schools. When the training is relatively technical and complicated in nature, it becomes even more important that the individual is literate. The Sears Roebuck Foundation attempts to help with the literacy problem through its ongoing support of projects like the Education Commission of the States, the Assault on Illiteracy Program and the Keep America Working Project.

The mission of the Education Commission of the States, headed by Arkansas Governor Bill Clinton, is to provide education research to education policymakers. The Sears Roebuck Foundation has contributed $100,000 to help the Commission address the literacy issue.

The Sears Roebuck Foundation just awarded the second two year grant for $950,000 to the American Association of Community and Junior Colleges for the "Keep America Working Project". This project is designed to coordinate the efforts of high schools, community colleges, business and industry in the development of economic opportunities for young people. "The Keep America Working Project" has contributed to the "Two Plus Two" program in Dayton, Ohio and the Unified Technology Center at Cuyahoga Community College in Cleveland, Ohio. The Foundation contribution has leveraged $5.8 million off of the initial grant.

As part of Sears continued commitment to achieving a balanced workforce, the company is currently bringing the newest phase in the evolution of our affirmative action program to approximately 1000 local unit managers. The program is designed to enable Sears to better deal with the increasing diversity of America's workforce.

There is always more that can be done. As Ralph Waldo Emerson once said, "What we call results are beginnings."

Sears is willing to engage in the brainstorming and debate to help shape policies to address the needs of America's unemployed. Why? We are motivated by the fact that America is our customer and we believe that as a good corporate citizen, Sears has an obligation to help remedy the problem of youth unemployment. Every effort we can make, whether it is in headquarters or in a small local unit, contributes to easing the unemployment crisis. Sears wants to be a part of the solution. We offer our assistance to you as you look for ways to develop and support innovative, effective and cost efficient ways to reduce disadvantaged youth unemployment.

Eroding The Working Woman Stereotype

by SANDRA C. HAGERTY
Sears Merchandise Group

You've heard a lot about the issue of comparable worth both from its advocates and its opponents, but you won't hear me use those two words once more. Any effective solution to the earnings gap problem *must* recognize the real underlying causes and provide more opportunities for women in occupations and industries with higher wage scales. Simply put, the positive solution is to get women in the jobs that pay more—those usually referred to as nontraditional.

Sounds simple enough, doesn't it? But the little progress made to date has not come easily, even to those of us who have been working at it the longest, and the progress that companies make in the future will depend on our willingness to continue to accept the challenge, to be innovative in our approaches and to persevere despite tenacious beliefs about stereotypical women's roles.

Nontraditional jobs for women, as defined by the Women's Bureau of the Department of Labor, are those in which women make up 25 percent or less of the total number of workers. These range from blue collar to professional and management positions. I would like to concentrate on what I call the hardcore end of that spectrum: blue collar jobs. I believe that if employers are able to make progress in this area, any other changes will seem easy.

As we approach any problem or challenge, it's useful to know our starting point. And, of course, statistics can serve to paint that picture: They can tell us how far we've come and in which areas we've made progress. A quick glance at the statistical picture of women's progress is euphoria. Upon closer examination, however, it becomes apparent that the progress has been limited and concentrated in certain areas.

Between 1972 and 1981, the number of women in craft jobs increased by more than 100 percent, but much of this growth was in the more traditional craft jobs such as printing, decorating and window dressing—not in carpentry, electrical or mechanical work.

During this same period, the number of women operatives increased only marginally and were concentrated in factories or operating equipment in laundries and drycleaning plants. Few held more skilled jobs such as lathe and drilling machine workers or mine operatives.

The largest gain in employment among women blue-collar workers was in bus drivers. Of course, many operate school buses part time, part year and for low pay.

So change is occurring in the nation's work force, but slowly. And the picture in the more nontraditional areas is especially discouraging.

The picture at Sears is somewhat brighter, perhaps because we've seriously been hammering away at the problem for over a decade. Our nontraditional jobs consist of those in the automotive and merchandise repair areas. We now employ more than 1,850 women in these jobs and they represent 54 percent of all such Sears employees.

According to 1980 Census data on similar jobs, only 3.2 percent were held by women nationwide. Segmenting that into the two areas, Sears employs over 5 percent of all women who work in automotive jobs in the United States, and nearly 10 percent of all women who are service technicians in this country.

Lest it sound as if we've found all the answers or solved all the problems, let me set the record straight with the words of Ralph Waldo Emerson: "What we call results are beginnings." And in making those beginnings we've encountered many barriers that serve to inhibit women from seeking nontraditional employment.

Among the most critical are those that flow from peer and parental pressure coupled with school counseling that continues to steer young women into traditional curricula. The lack of sufficient role models in media and advertising serves to further deter women from considering nontraditional work as a positive career option. Even if a woman gets as far as looking for such a job, she may encounter discouragement from those who should be encouraging her.

A prime example of this occurred during a meeting I attended where employers, labor and women's organizations were gathered to share ways to improve women's representation in nontraditional jobs. One of the speakers, from the Bureau of Apprenticeship and Training, stated that it is not as necessary for women to be aware of the kinds of jobs we're talking about as it is for men. He said that since men *have* to earn a wage, they also will have to put up with any negatives they find on the job such as physical exertion or a dirty environment. This is not always so for women, the speaker said, because women have "other alternatives."

As moderator, I rebutted him by reminding the audience of three facts:

1. Nearly two-thirds of all women workers are either unmarried or have husbands earning less than $15,000 a year.
2. Forty-seven percent of all families maintained by women are below poverty level.
3. Ninety percent of American one-parent families are solely dependent on a female head for support.

So while it is true that men *have* to earn a wage, these days, so do women, and women are no longer able . . . or willing . . . to settle for "other alternatives."

It is indeed unfortunate that the catalyst for change in the representation of women in the higher paying blue collar jobs may be their own dire economic need. Yet that is certainly a reality for many women. Our job as employers is twofold. Not only must we attract those who *now* need to find better paying jobs simply to survive, we must also assist in the long-term effort of changing young women's perceptions of appropriate roles for women and for men.

The challenge *is* a big one, but I'm convinced that if we break it into its component parts and attack it piece by piece, we can indeed make significant progress. Toward that end, I'd like to share some concrete approaches we've found useful in getting more women into nontraditional jobs at Sears, as well as some efforts we hope to be making in the future.

The first of these is early intervention in the development of attitudes toward appropriate roles for women and men. These attitudes begin forming in children during elementary school, and research has shown that they are pretty well set by the teenage years. Business can make a positive impact by scheduling women who work in nontraditional jobs for classroom visits to talk about their work. If the woman normally wears a uniform to work with a tool belt, for example, she should appear before the students dressed in the same fashion. The visual impact will go a long way.

At the secondary school level, such visits can serve to reinforce the need for young women to take the math, science and shop courses that will prepare them to go into blue-collar work. Another more subtle issue comes into play when choosing the women role models for high school visits. For many, the mental image of the typical women doing physical work is not unlike Norman Rockwell's depiction of Rosie the Riveter—a women with bulging arm muscles and a not-too-well-defined waistline. For teenagers, who are typically quite conscious of how they look, the role model's appearance can be either a positive or negative selling point. If you're fortunate to have someone like Antonio, an ex-fashion model who now walks steel girders on Atlanta's high-rises as an ironworker, you may be amazed at the students' receptivity to considering nontraditional employment.

School guidance counselors also need to be fully aware of businesses' needs in this area. Both in the comprehensive and vocational high schools, the counseling activity continues to be cited as a weak link in achieving equity. A recently released report on the findings of the National Commission on Secondary Vocational Education, *The Unfinished Agenda,* found this to be true: "... vocational programs and guidance services need to place more emphasis on redressing issues of sex bias and equity ..." Employers can influence the biases of counselors against women in nontraditional jobs by exposing them to our role models and informing them of our needs. This is especially important in the vocational education system where, for too long, a vicious circle has existed in which employers have claimed, "We can't hire the women we need because the voc-ed system isn't producing them," and the schools have been saying, "Why should we train them when business isn't hiring them?"

"Simply put, the positive solution is to get women in the jobs that pay more—those usually referred to as nontraditional."

In the community-at-large, attitudes can be positively swayed through the effective use of media. Unfortunately, it's the rarity of nontraditional women that makes their stories so interesting to local newspapers. An excellent example of positive media coverage involved one of our automotive mechanics, Lisa Conn, which appeared in four papers in her local area. At 17, Lisa won the local, regional and state vocational education competitions in auto mechanics. From there, she went on to beat 43 other contestants (all males) to win the National Vocational Industrial Clubs of America (VICA) annual award. Sears certainly garnered good publicity as her employer, but more importantly, Lisa stood out as a superb example of a young woman doing traditionally male work and excelling at it.

In terms of recruiting women for immediate placement into nontraditional jobs, the best tip I can give is to establish good recruitment sources. That may sound overly simplistic, so let me explain. There are, of course, the obvious sources such as technical and trade schools, vo-tech programs in comprehensive schools and organizations that serve women such as the YWCA. But to locate women for blue-collar jobs, we have to dig deeper to find groups that address these jobs specifically. Examples are the Midwest Women's Center and the Sunbow Foundation in Chicago; ANEW (Apprenticeship and Nontraditional Employment for Women) in Renton, Wash.; Wider Opportunities for Women (WOW) in the D.C. area; and the Atlanta Coalition for Women in Nontraditional Jobs. Once you've located one group working to get women into these jobs, your contact there can often steer you to others. Local private industry councils will also be able to tell you of specific JTPA-funded training that may include women. And displaced homemaker networks may be especially helpful since they serve women who are sometimes desperate to find higher-paying jobs and are willing to learn new skills in order to get them.

As a result of a survey of Sears women in automotive and merchandise service jobs several years ago, we found some additional recruitment avenues we had not previously recognized or had not focused on specifically. The two with the most direct link to nontraditional employment are the military and sports fields. Women coming out of these areas have already broken through some of the traditional sex-role barriers and find their jobs at Sears to provide them with the independence and physical involvement they enjoy.

Two of the more surprising prior-experience areas among a number of Sears women are the veterinary and nursing fields. According to these women, they were able to transfer their desire to heal people or animals into making cars or appliances work properly.

Once the best recruitment sources have been identified, what brochures do you use to sell the jobs when you're not there to do it in person? It is in promoting the idea of nontraditional employment, perhaps more than any other type of job, that we need to "tell it like it is." In order to do that, we are now redoing our own recruitment brochure. While not yet in final form, the one for automotive jobs reads, in part: "If you're a woman who wants a career—not just a job . . . If you're a woman who dislikes: boring, monotonous work, sitting still all day, bosses who hover over you, jobs that never change, low pay and poor future prospects . . . Sears Automotive may be right for you. If you're a woman who can take: grease on your hands, lifting, bending, moving around, working on your own, learning new skills, important responsibilities . . . Sears Automotive could be just right for you." Obviously, it's quite direct, and it incorporates the findings of our survey. The same information can be placed on posters in schools, personnel offices or customer-contact areas such as the auto cashier area.

As we begin increasing the representation of women in our nontraditional jobs, we also have to work on retaining them. While there's not much we can do to keep other companies from hiring away the women we've worked hard to recruit and train, we can do a lot to make our work environments conducive for them to stay.

The kind of training employers provide can enhance stability *or* it can contribute to turnover. Until the mid-seventies, we put our women service technicians through the same training courses we'd used when technicians were primarily men. And we experienced very high turnover because the women had not had the same basic coursework in school or the prior work experience as the men. So we developed additional courses such as Tools of the Trade, Basic Electronics and Basic Electricity which served to bridge that knowledge gap and, indeed, found that women's turnover dropped dramatically. In fact, it fell below that of the men. So we began offering the courses to anyone who needed them.

"As we begin increasing the representation of women in our nontraditional jobs, we also have to work on retaining them."

Another consideration is the placement of the first woman in a previously all-male department. Wherever possible, it's beneficial to put two women in at the same time so they don't feel totally alone. Also important is supportive and understanding supervisors during the women's early weeks and months on the job. The supervisor must make it clear to the other employees that the new employee is there to do a job just as they are and that they should provide her the same assistance they would for any man new on the job.

The physical demands of a nontraditional job may create initial difficulty for the woman who isn't accustomed to doing heavy lifting. Of course, instructions on proper lifting and safety techniques should be given to men *and* women. Supervisors' negative expectations that women can't do heavy work can be dispelled by citing actual examples of small-statured men who've successfully performed similar jobs. Also, most women find different ways of leveraging their body weight to maximize their strength. I recall the comments of two Sears women. One said there was no way she could carry a 50 pound car battery out in front of her as most men did. But she sure could prop it on her hip like she carries her baby. The other woman had been a nurse and, when asked how she managed to move a washing machine filled with water away from a wall, she replied, "The same way I used to move an inert overweight man in a hospital bed. I learned to lever myself." With regard to doing dirty work, some people, regardless of their sex, think women aren't going to really dig in and get their hands all greasy. But as one young automotive woman told me, "I can afford to buy the best soap there is on my way to the bank!"

"We've found that the managers with the lowest turnover among women also have low turnover among men."

Management styles are yet another consideration. We've found that the managers with the lowest turnover among women also have low turnover among men. Their employees are satisfied because they are treated with respect. This may sound like a self-fulfilling prophecy but it is nonetheless an important point when it comes to retaining women for nontraditional jobs. By using the brightest and the best supervisors as role models for others, the recalcitrant are given positive images to emulate.

One other approach that we've found quite useful is to do a follow-up study of the women you have performing nontraditional work. This method can reveal their likes and dislikes as well as provide suggestions for improving work conditions and training methods. One of our study's most significant findings was the high level of job satisfaction among the women. Their comments revealed enthusiasm for the work and pride in achievement. One woman said, "I don't look for Friday any more, and I can't wait for Monday." Others topped their list of job satisfactions with the ability to handle challenging, difficult tasks and to see proof of their achievements with statements such as: "It's instant reward. You start and complete a task, make people happy." And, "When you fix something, it works right there in front of you. You and you alone do the work. You are not a cog in a long line of machinery. You're the whole thing, right there. You don't have to depend on anyone else." And there's no doubt that the job satisfaction was very high for the woman who said, "When I'm old (someday), shaking with palsy, I'll still be going up to someone's kitchen door, saying, "Ma'am, would you like your washing machine repaired?"' Statements like these can be powerful selling tools when talking to women about the benefits of nontraditional employment.

Two final suggestions I'd like to leave with you concern vocational education and pooling resources. There has been a growing movement in some states to eliminate voc-ed as an option at the high school level. This is based on a belief that a college preparatory curriculum steeped in academics is the best preparation for life. This premise ignores differences in student interests and abilities and it ignores the needs of high school students who do not plan to go to college. Employers, therefore, need to make their support of voc-ed known to our state legislators. They need to hear from us that we not only need employees who can manage our business but also ones who can, in our case, for example, install and service the merchandise we sell. Without vocational education, we're not going to be able to find those people. And so it is incumbent upon business to make our needs known.

The other suggestion has to do with pooling our resources. Earlier I made a brief reference to the Atlanta Coalition for Women in Nontraditional Jobs. This is a model of a cooperative approach that Sears was instrumental in establishing some three years ago. Its members represent interested individuals from private industry, labor unions, government and social agencies who have committed to increasing the number of women in apprenticeship and nontraditional employment. The coalition's goals include establishing community awareness, targeting and training women, developing leadership and financial resources, and securing needed equipment and in-kind services for the program.

The coalition is accomplishing these goals through such activities as donating training materials and instructors for classes in electronics held at the YWCA; participating in the citywide job fair for 9th, 10th and 11th graders by staffing an exhibit booth with women who do nontraditional work; providing a scholarship to the female student who wins the annual nontraditional competition sponsored by the Georgia Vocational Occupational Clubs of America (VOCA); and using JTPA funds to train women who are public assistance recipients in the areas of plumbing, pipe fitting, carpentry and electrical work.

Pittsburgh is following that example and is forming coalitions. Each may be formulated differently with various companies or organizations taking the lead role. But they all share the common goal of making it easier to recruit, train, hire and retain women in nontraditional jobs by sharing their resources and obtaining greater publicity for the cause through their combined efforts.

"We've come to realize that we can't change things alone."

This same kind of coalition approach can also be effective on a national basis. I am now in the process of identifying those companies willing to join with Sears to establish such a national coalition.

Over the past decade and a half, whatever improvements Sears has made in women's nontraditional representation have come more slowly and with greater difficulty than we would have liked. And we've come to realize that we can't change things alone. We must work with others who share our goals in order to create a louder and more effective voice for change.

So, whether we're talking about using vehicles such as education, coalitions or affirmative action programs, we're talking about shared efforts that will enable this country to better use the talents of *all* its people. But regardless of the vehicles, we must be certain that we travel the right path.

That path must be cleared to ensure that the adult work reality of today's women is presented to youth in ways that will prepare them for successful decision making.

Strong female role models must be as visible as road signs to guide young people.

The media and literature must provide guidebooks that give positive exposure to women's accomplishments.

Working women who have been traveling alone through nontraditional career disciplines need to converge and share with themselves and others knowledge of the potholes *and* the scenic vistas.

And effective networks must continue to be built to bridge the gaps between the world of work as it once was and the one it must become for this country to be competitive in the future.

All of this means change, in one way or another. And we have but one choice: to allow the inevitable change to manage us or to take a proactive stance and manage change to our benefit. By working together, we *can* influence the course of the next decade so that, in time, there will be no occupations that are nontraditional for women.

Senator **Metzenbaum**. Thank you very much, and I want to thank the entire panel.

I guess I have sort of a sense of disappointment because the three of you are talking about programs that are either working or that you are attempting to make work. That does not get the attention of the media and the community. Yet I think that it may be the most practical approach and might be the most exciting approach.

I look forward to working with you. We are determined to try to come up with some answers. It is not easy. It will not be easy for us. It is not simple to just dig into the Federal Treasury for "*x*" billion dollars and say we are going to solve this problem, nor is it easy for us to say, well, the economic sector has the obligation to put up all the money, and we are going to tax them or force them in some way to do it.

We need some innovative thinking, and I look forward to working with you and want to express my appreciation to you for being here with us today. I accept your offer of willingness to cooperate. You will be hearing from us, and we hope we will be hearing from you.

In conclusion, I want to say that if anybody, whether within earshot of my voice or not, has any new ideas or concepts that they want to share with this committee, we will keep the record if necessary to hear from them on it, but whether it is in the record or not, we will at least make our own ears available, and our staff and myself will certainly be willing to work with them.

I want to make some meaningful steps forward in doing something about this problem, and if I do not, I will be the most disappointed of all.

With that, we will conclude this hearing. Thank you very much.

[Whereupon, at 12:25 p.m., the Subcommittee was adjourned.]

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